

INTERNATIONAL
Herald Tribune

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Austria	12.5	Kenya	Shs. 7
Belgium	20 B.F.	Lebanon	12.25
Denmark	3.50 D.Kr.	Luxembourg	20 L.Fr.
France	40 F.	Morocco	2.75 D.
Germany	2.50 M.	Netherlands	1.50 Fl.
Greece	3.00 Dr.	Nigeria	20 K.
India	1.50 R.	Peru	30 S.
Italy	20 L.	Portugal	20 Esc.
Japan	100 Yen	Spain	40 Ptas.
South Africa	1.00 Rand	Sweden	2.75 S.Kr.
Switzerland	2.00 Fr.	Switzerland	1.75 S.Fr.
Turkey	40 Liras	Turkey	67.15
U.S.	1.00	U.S. Military (Eur.)	80.35
Yugoslavia	20 D.		

THE WEATHER — PARIS: Monday, cloudy, showers. Temp. 41-51 (41-51). Tuesday, cloudy. LONDON: Monday, cloudy. Temp. 44-54 (44-54). Tuesday, similar. CHICAGO: Monday, cloudy. Temp. 44-54 (44-54). Tuesday, similar. NEW YORK: Monday, cloudy. Temp. 44-54 (44-54). Tuesday, similar.

No. 29,634

PARIS, MONDAY, MAY 22, 1978

Established 1887

3 Terrorists Die In Orly Gunfight At El Al Lounge

PARIS, May 21 (AP) — Three terrorists armed with submachine guns and grenades opened fire on Israeli-bound passengers in an Orly Airport lounge yesterday. They were killed by police and Israeli security forces in a half-hour gun battle.

One policeman also was killed and two policemen, three passengers and a stewardess for El Al, the Israeli national airline, were wounded.

El Al security agents joined the airport police in pinning down and killing the terrorists in the Orly south terminal, eight miles south of Paris, police officials said.

Identities of the dead and wounded were not given, but French authorities said none of the wounded was seriously injured.

They said that the three wounded passengers were French.

Tunisian and Lebanese passports were found on the dead terrorists, who appeared to be Arabs, but the papers were believed to be forgeries, according to Jean Perier, prefect of the Val de Marne department, where Orly is situated.

Shooting Was Sudden

He said that the terrorists suddenly began shooting at 3:40 p.m., directing their fire at persons waiting in the lounge to pass through security checks and board an El Al flight to Tel Aviv.

"The terrorists didn't have a chance to get off more than the first burst when French security men and our security men opened fire together," Mordechai Hod, president of El Al, told the Israeli radio.

Mr. Perier said that the terrorists carried hand grenades, plastic explosives and submachine guns concealed in hand baggage. He said that electronic security checks would have detected their weapons if they had tried to enter the El Al lounge.

According to Mr. Perier, the terrorists had entered the waiting area of Spain's Iberia Air Lines, which adjoins the El Al departure lounge. He said they had tickets for an Iberia flight to Malaga.

The police said that security personnel became suspicious of the terrorists and went to question them. "When they were challenged, one of them pulled a submachine gun out of his bag and started firing," Interior Minister Christian Bonnet said.

Claim of Responsibility

(In Beirut, the terrorist attack at Orly was described in an anonymous telephone call as the first of a series of blows against French "neocolonialism" in the Middle East, where French troops are part of the UN force in southern Lebanon, and in Africa, where French forces have intervened in Zaire and Chad.

[The threat was made in a call to the news agency Agence France-Press, Interior Minister Christian Bonnet said.]

(Continued on Page 2, Col. 1)

U.S. Credibility Strained

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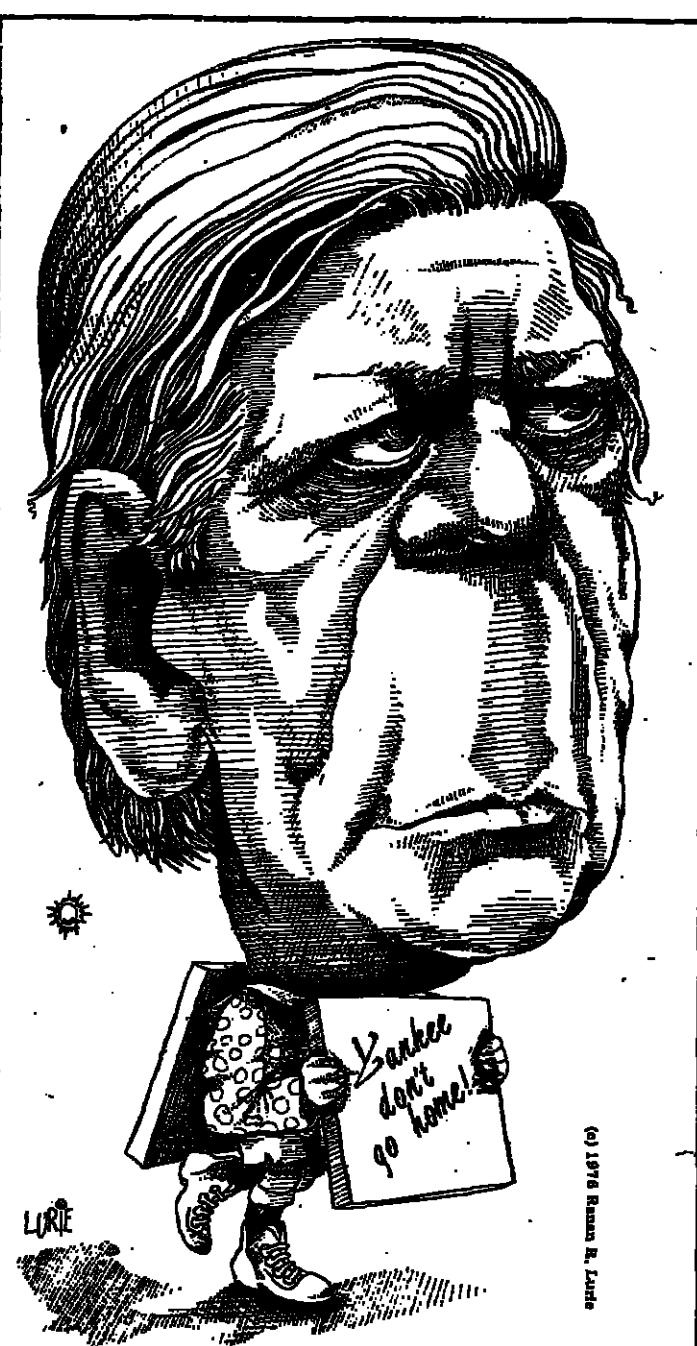
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West German Chancellor Helmut Schmidt

Eased Schmidt Attitude Is Seen Toward Moscow

(The following article was written by Arnold de Borchgrave, a senior editor of Newsweek magazine.)

HAMBURG — Zbigniew Brzezinski recently told a German visitor that West Germany seemed to be engaged in a process of "self-Finlandization."

In geopolitical jargon, Finlandization means the gradual neutralization of West Europe as the United States continues a policy of retrenchment and the Soviet Union becomes, de facto, the world's paramount military power.

The visitor, an expert on the German and European scenes, disputed President Carter's national security adviser.

But after spending 3 hours and 45 minutes with Chancellor Helmut Schmidt in his hometown of Hamburg this weekend — a two-hour interview followed by an off-the-record lunch — I gradually became convinced that Mr. Brzezinski was onto a new trend in West German thinking at the top.

In a nutshell, it does not make sense for Mr. Schmidt to be advocating tough policies toward the Soviet Union at a time when the Soviet Union is

(Continued on Page 4, Col. 6)

Japanese Police on Guard

Flights Begin at Narita Airport

NARITA, Japan, May 21 (AP) — The first passengers arrived today at Tokyo's troubled new international airport under the watchful eyes of 15,000 policemen.

Operations at the facility 41 miles north of Tokyo got off to a haphazard start. Two cargo jets belonging to Japan Air Lines, which were scheduled to be first to land, were delayed. The first plane to arrive was JAL Flight 1047, a DC-8 cargo jet 52 minutes late from Los Angeles via Anchorage.

The planes originally scheduled to arrive first were held up in Anchorage by mechanical difficulties.

The first passenger jet was JAL Flight 446 from Frankfurt via Moscow.

Passengers said that the jet had been under tight security in Frankfurt, where it was surrounded by West German federal police, reinforced with an armored personnel carrier, because of rumors that the radical Japanese Red Army might try to hijack a JAL jet. That group earlier this year issued a statement pledging sympathy and assistance to those in Japan who have been battling to keep the airport closed.

Family and friends of passengers were not allowed to meet the plane at Narita. The more than 200 reporters and photographers, as well as various officials, who did meet the plane were subjected to strict security checks. Visitors have been barred from the facility indefinitely.

The landings of the first planes were carried live on Japanese television. By the end of the day's operations, 23 planes had landed.

Hours before yesterday's dedication ceremony, Japan's domestic air traffic was tied in knots when a communications cable 25 miles

northwest of Tokyo was cut. Student radicals claimed responsibility. Repair took three hours.

Burning Trucks

About 14,000 policemen and 15,000 protesters had massed around the airport for yesterday's opening ceremonies. Opponents of the new facility attempted to crash the new facility by burning trucks. Police fired on them with tear-gas weapons.

Officials said that 21 policemen were injured and 49 demonstrators were arrested, including 17 women.

The opponents vowed a campaign of destruction, and vandals cut off electricity off this morning to 19,000 houses in the Narita area. The airport was not affected.

"This demonstration is not going to end today," said Issaku Tomura, 68-year-old leader of the anti-airport coalition. "We will continue our fight tomorrow, the day after, the year after, and on and on."

Only about 50 guests attended the actual dedication yesterday in Narita's main terminal. Four Shin-

(Continued on Page 2, Col. 4)

In Defeat for Carter

Japan Intends to Use Plutonium as Fuel

By Thomas O'Toole

WASHINGTON, May 21 (WP) — Japan has told the United States it will spend more than \$1 billion to finance plutonium reprocessing plants in France and Britain, thus ending any hope the Japanese will not use plutonium as a nuclear fuel.

The Japanese plan is a hard blow to the Carter administration, which earlier this year asked Japan to forego any plutonium reprocessing plans for at least two years. In effect, Japan has told the Carter administration it cannot do that because Japan will need the plutonium

to fuel its industry in the years ahead.

"We expressed the view that we hoped they wouldn't do it and they explained to us why they have to do it," said an informed source in the Carter administration. "They explained they have no other way."

A delegation from Japan spent most of last week in Washington, informing the State Department, the Department of Energy and the Nuclear Regulatory Commission of its plutonium plans. Japan expects to make them public in Tokyo next week.

The Japanese plan to sign long-term contracts for France and Britain to take Japan's spent nuclear fuel, extract the plutonium from it and ship the plutonium back to Japan.

The Japanese intend to prepay for the reprocessing by helping to finance construction of a reprocessing plant at Windscale in Britain and expansion of an existing facility in Le Havre, France.

The British Parliament last week authorized construction of the Windscale plutonium plant, which is to have a rated capacity of 1,600 tons of spent fuel a year. The Le Havre plant now reprocesses 400

At Least 71 Whites Slain French and Belgian Units Seize Control of Kolwezi

KINSHASA, Zaire, May 21 (AP) — French and Belgian paratroopers joined forces yesterday to break the rebel hold on the city of Kolwezi and began the evacuation of trapped foreigners. At least 71 Europeans were reported killed by the rebels in the embattled copper-mining center.

Some of the 1,500 foreigners flown from southern Zaire to Kinshasa said there was still fighting in Kolwezi when they left. But French and Belgian officials later said their troops controlled the city, although small bands of rebels remained.

"As of this moment, our forces control the whole of the town," Col. Paul Cavarrot, chief of the French army press service, said in Paris.

Col. Cavarrot said that 25 to 30 rebels were killed in the French airborne assault launched Friday. The French Defense Ministry said one soldier of the French Foreign Legion was killed in Kolwezi and several others were wounded. A spokesman said the French mission in Kolwezi "can be regarded as terminated," but there was no indication that the 600 legionnaires were being withdrawn.

No Casualties Reported

No casualties were reported among some 1,000 Belgian paratroopers sent into Kolwezi early yesterday.

"When we saw the paratroopers dropping we knew that our suffering had come to an end, this way or another," a British mother of three told reporters here. The woman, who asked not to be identified, said she and her family — like most foreigners — had lived behind the closed doors of their homes during the rebel occupation.

The refugees, who included at least eight wounded, were the first of 2,500 foreigners, mostly Belgians and French, who had been stranded in Kolwezi when the Angolabased rebels invaded May 12.

They were flown 160 miles north from Kolwezi to Kamina yesterday and then on to Kinshasa, 700 miles northwest of the war zone in mineral-rich Shaba province. The French Foreign Ministry said that the Western forces planned to speed up the evacuation Sunday by driving some of the refugees to safety in Kinshasa.

Refugees in Brussels

Three planeloads of refugees arrived in Brussels this afternoon and two more were expected tonight. King Baudouin and Queen Fabiola were on hand when the first plane landed in Brussels.

Some of the refugees arriving in Brussels complained that the French delayed too long in sending in paratroopers.

"If they had landed one day earlier," said Francois Postorino, a mining firm employee, "there probably would have been fewer victims, but if they had landed one day later it would have been a real massacre."

Gerard Lefevre, a manager for the Zaire-owned Secamines mining company, said he had heard two rebels speak Portuguese and had seen others wearing Cuban uniforms.

Premier Leo Tindemans said in Brussels that French paratroopers found the bodies of 60 Europeans slain by the rebels. French and Belgian officials had reported that 11 other Europeans were killed earlier.

Hostages Taken

The 11 were mostly Belgians, they said, but one was Italian. He was identified as Bruno Rossi, shot in his home in a struggle with a rebel.

Mr. Tindemans said that the rebels took a number of hostages with them as they fled, including seven Frenchmen. He said he did not know the exact number taken, and Belgian forces have been ordered to attempt a rescue.

The United States provided essential aid to Belgium in the airborne operation, Mr. Tindemans said. "It was not enough to fly there... there was no fuel on the spot. It was only after we knew that the U.S. government was willing to help us with tanker planes that our undertaking was made possible."

The Zaire news agency said that the rebels massacred European men and raped the wives and daughters of the victims. The French Defense Ministry said the bodies of 40 European men were found in the Kolwezi police station

that had been the rebels' headquarters. French paratroopers jumped into Kolwezi Friday and Saturday after air attacks by Zairian air force jets. The legionnaires linked up yesterday.

(Continued on Page 2, Col. 2)



A French Foreign Legionnaire soldier in Kolwezi walks past house in which 34 persons were slain.

Kolwezi in the Silence of Death

By Erik Van Ees

KOLWEZI, Zaire, May 21 (UPI) — The house of death seemed so quiet. Even Africa's ever-present crickets had fallen silent in the stench that hung over Kolwezi's streets.

The house was small, painted white. Outside its open front door lay two corpses, both white men. One wore a sweater with the words "Yale University" written on the chest. They were surrounded by the contents of several looted suitcases: underwear, bits of paper, a shirt, a child's doll.

The pile of hundreds of gleaming brass cartridge cases should have warned me of what might be inside, but thousands of cartridges are scattered all over the streets and I paid no special attention and walked through the door into a small room.

The body of a gray-haired man was sprawled across the threshold. Further in the room, corpses lay on one another in a knee-deep pile. One man had thrown a protective arm over a small girl. Others had their arms across their faces.

In the corner sat a woman's body held upright by the press of other bodies. She still had her fingers pressed to her ears and her mouth was wide open in a silent scream of terror.

The French Foreign Legionnaire behind me swore softly. He was pale and trembling. So was I.

Thirty-four persons died in this small room. Their killers stood on the lawn a few yards away and opened fire with machine guns through the window.

I talked to the Belgian paratroopers' chaplain at the airport, among the refugees with pets and hastily packed possessions. He was close to tears.

"What I have seen, what I have seen," he said in a despairing voice.

He had toured streets of the town a few hours before.

The rebels opened the doors of white homes, tossed grenades inside and closed the doors. "Then they went in and shot whoever was still alive," the chaplain said.

"Oh my God, it was awful to see those bodies."

Outside a high metal gate on another street lay the bodies of five whites. Part of a woman's leg had been gnawed away by dogs.

The French and Belgian legionnaires are still looking for Europeans, living and dead. Senior officers believe about 150 Europeans were killed in Kolwezi.

I was told how a girl's head was

chopped off with one blow of a machete. I saw people slashed by machetes and a man with 17 bullet wounds in his body.

The whites all have stories of killings, looting and rape. They say they will never return to Kolwezi.

"All my life I have taught at black missionary schools," said Richard Muller, a Belgian. "But now I think the blacks should all be killed."

Bodies, black and white, lie bloated in the streets. Shattered cars, their doors flung open, contain more corpses.

There are no sounds in Kolwezi. No cars move. No children play. Kolwezi is dead.

Gusman Takes Office Aug. 16

Dark Dominican Days: Democracy Almost Lost

By Karen DeYoung

SANTO DOMINGO, Dominican Republic, May 21 (WP) — After three days of confusion and fears of a military coup, the Dominican Republic's leaders seem to have reconciled themselves to the defeat of President Joaquin Balaguer.

If there is no last-minute military resistance or surprises in what is now a near-complete tally of results from Tuesday's election, Antonio Guzman, 67, a businessman-cattle rancher, will replace Mr. Balaguer, 70, on Inauguration Day Aug. 16.

The armed forces, which apparently panicked Wednesday and stopped the central vote tabulation here when initial returns showed Mr. Guzman winning easily, have gone back to their barracks.

While the United States and other countries sent angry telegrams to Mr. Balaguer demanding to know what was going on, and troops roamed empty streets, Mr. Balaguer and military leaders reportedly argued about what to do next. The official statement released described the situation as "normal." Despite strong evidence to the contrary, the statement, issued by the military, denied that a coup was in progress.

On Wednesday evening, the government appeared to bend to international pressure, and it was announced that tabulation would resume. While the tabulation centers reopened Thursday morning, their work was repeatedly interrupted when soldiers, still stationed outside, entered the buildings and cleared them at gunpoint. The confused troops backed off when confronted by angry electoral officials who under Dominican law are

the country's supreme authority during election time.

The military's efforts were futile because the majority of the nation's precincts had counted ballots immediately after poll-closing Tuesday night and had given certified copies of the results to poll-watchers from each party before cabling the figures to Santo Domingo.

Officials from Mr. Guzman's Dominican Revolutionary Party said that their certified precinct copies showed him with a 2-to-1 victory over Mr. Balaguer, which some central electoral officials confirmed privately.

When the Balaguer's Reformist Party unexpectedly claimed Thursday afternoon that totals from its copies showed a 180,000-vote plurality for Mr. Balaguer, many Dominicans feared the government had scrapped its plans for a coup and now planned to steal the election.

But late Thursday night Mr. Balaguer went on television to promise that he would respect the election results. In an emotional speech that did little to explain the events, Mr. Balaguer blamed everyone — the opposition, his own party, the electoral commission, international interference and rumor-mongers — for what had happened since the vote.

Outside's Advice

Galo Plaza, a former president of Ecuador who was here last week heading a three-man election observer team sent by the Organization of American States, was the only outsider known to have seen

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Soviet Employees at UN Held on U.S. Spy Charges

By Charles R. Babcock

WASHINGTON, May 21 (WP) — Two Soviet employees at the United Nations were arrested yesterday on charges that they paid \$100 in cash for secret Navy tests on anti-submarine war-

hird Russian, attached to the mission at the UN, also was a top FBI agent who was charged because he has diplomatic immunity, an FBI spokesman said.

Three men were taken into custody in a Woodbridge, N.J., apartment shortly after an unnamed U.S. Navy officer — who was cooperating with the FBI — tipped off a roll of film in an espionage container.

The two men charged, Rudolf Chernyayev, 43, a UN personnel officer, and Valdik Enger, 39, an assistant to the UN undersecretary-general, both were considered international employees of the UN and thus did not have diplomatic immunity, an FBI spokesman said.

Arkady Shevchenko, another Soviet employee, who allegedly

received plans for a U.S. Navy fighter plane, the F-14, charged against Mr. Markolov were dropped and he left the country.

Report to Carter

Attorney General Griffin Bell told President Carter about the current case, a Justice Department spokesman said. But a spokesman for the National Security Council said that he was not aware of the case or any high-level discussions about the implications of prosecutions.

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Report to Carter

News Analysis

France, Belgium Split on Zaire

By Joseph Fichter

PARIS, May 21 (IHT) — Discord and recriminations about the handling of the rescue of Europeans from Kolwezi verge on a political row between France and Belgium, the nominal partners in the evacuation plan.

Belgian statements implicitly accuse France of seeking to turn a humanitarian operation into a military intervention to serve French political and economic interests.

Politicians in both countries insinuate that the other government's behavior caused unnecessary loss of lives.

In the rescue operation, the Belgian authorities took a more cautious approach, apparently hoping that negotiations with the rebels

would enable foreigners to leave Kolwezi peacefully.

France opted for prompt military action to free the Europeans, whom officials here said already were in effect hostages.

Belgian officials clearly felt that France had jumped the gun when French paratroops dropped into Kolwezi on Friday afternoon while Belgian troops stayed at Kamina and avoided military contact.

In Belgium, it is suggested that the arrival of French paratroops triggered the bulk of executions of Europeans. Other Europeans reportedly were taken as hostages by the retreating rebels as a shield against air raids.

French sources blame Belgium for "overpublicizing the military preparations and wasting time at-

tempting to negotiate, thus alerting the rebels and eliminating the advantage of surprise.

The first evacuees arriving in Brussels praised the prompt French action, and Paris radio stations said that French intervention had prevented worse atrocities.

French President Valéry Giscard d'Estaing, who indicated Friday that Europeans already were in danger, conferred with President Carter Thursday and then decided to act swiftly rather than wait for political support this week from the French-African summit, as originally planned.

Common Market Backing

After assurances today that French Foreign Legion units were moving out, Common Market foreign ministers informally supported France. But the meeting was not attended by Belgian Foreign Minister Henri Simonet, who earlier had criticized French handling of the Kolwezi operation.

France and Belgium are split by different colonial experience, economic interests and views of the geopolitics of Africa.

Belgian officials recall atrocities in 1964 in the same Shaba province when Katanga rebels killed European hostages after paratroops appeared in then-Stanleyville. In Kolwezi, they were anxious to avoid a similar fate for the Belgians who were a big majority of the Europeans trapped there.

This argument about tactics also reflects Belgian alarm at France's tendency, as perceived in Brussels, to bid for more influence in Zaire — the most important French-speaking country after France itself — and Zaire's responsive interest in the idea of an equivalent to the British Commonwealth among French-speaking African countries.

Belgian apprehensions have been aroused by Mr. Giscard d'Estaing's tone toward Zaire — which he described on a recent trip there as "the most important French-speaking country after France itself" — and Zaire's responsive interest in the idea of an equivalent to the British Commonwealth among French-speaking African countries.

There has been some French resentment that Zaire, Africa's richest store of mineral resources, should be almost totally a Belgian economic fief: Belgian investments amount to nearly \$1 billion compared to France's \$20 million.

Because of Belgium's paramount economic interest, the French magazine *Le Point* charged that Belgian businessmen want to install a moderate socialist regime which would restore Shaba's natural commercial and tribal links with neighboring Angola, traditional outlet for Shaba's copper until it was closed by ideological rivalry with the Mobutu government.

Differing Concerns

Primarily concerned with Shaba — with its copper wealth and separatist tendencies since the era of Moïse Tshombe — Belgium's own socialist government has shown signs of wanting to distance itself from the Mobutu regime, 1,000 miles away in Kinshasa. It will be weakened if the rebels succeeded in sabotaging the copper mines and worsening Zaire's precarious economic outlook.

In contrast, France has little direct interest in Shaba but broad political concern about Zaire. The country is a key domino in the African bloc that France is committed to defend.

Leaders like Felix Malloum of nearby Chad, where French troops are in combat, praise the French intervention in Zaire as a counter to African destabilization by the Soviet Union and Cuba.

French strategists are keeping their options open, but the evacuation afforded an opportunity to give the Katangese rebels a bloody nose and gain breathing space for Mr. Mobutu. France will define the next phase at the Franco-African summit here tomorrow to discuss African security.

Zaire Rebels Are Halted

(Continued from Page 1)

day with a Belgian airborne unit dropped overnight. Belgian forces also control Kolwezi airport, five miles from the city.

The rebels claim the French intervention is designed to help the embattled army of Mobutu Sese Seko, president of this former Belgian colony in Central Africa, defeat the insurgency.

East German Role Seen

LONDON, May 21 (AP) — The rebel invasion of Zaire was masterminded by East Germans, not Cubans, as part of a Communist campaign to disrupt a West German company's development of a new low-cost, long-range rocket, the Observer newspaper reported.

The newspaper, in a front-page article by Colin Legum, its commentator on African affairs, said the invasion of Zaire's Shaba province was launched while the East German defense minister, Gen. Heinz Hoffmann, was on a five-day visit to Angola where the rebel forces were reportedly trained and armed.

Mr. Legum gave no sources for his information.

WEATHER

ALGARVE	13	55	cloudy
AMSTERDAM	13	55	overcast
ATHENS	19	66	clear
BELGRADE	24	75	clear
BERLIN	20	68	cloudy
BIRMINGHAM	22	72	overcast
BUDAPEST	22	72	overcast
CASABLANCA	17	63	cloudy
CONGOLESE	21	69	cloudy
COSTA DEL SOL	18	64	cloudy
DUBLIN	15	59	cloudy
EDINBURGH	15	59	cloudy
FRANKFURT	15	59	cloudy
GENEVA	14	57	cloudy
HELSINKI	12	54	cloudy
ISTANBUL	21	70	clear
LAS PALMAS	21	70	overcast
LISBON	17	63	cloudy
LONDON	13	55	cloudy
LOS ANGELES	76	88	cloudy

MADRID	13	55	cloudy
MILAN	14	57	cloudy
MONTREAL	14	57	cloudy
MOSCOW	17	63	clear
MUNICH	17	63	overcast
NEW YORK	27	81	cloudy
NICE	20	68	overcast
OSLO	21	70	clear
PARIS	21	70	overcast
PRAGUE	17	63	cloudy
ROME	20	68	overcast
SOFIA	20	68	cloudy
STOCKHOLM	20	68	clear
TENNESSEE	23	73	clear
TEL AVIV	20	68	cloudy
TOKYO	23	73	clear
TUNIS	21	70	overcast
VIENNA	20	68	overcast
WASHINGTON	21	70	clear
ZURICH	17	63	cloudy

(Yesterday's readings U.S. and Canada at 7:00 GMT; all others at 12:00 GMT.)



Protesters wave banners as the first passenger plane to land at Narita Airport makes its approach.

Flights Begin at Japan's Narita Airport

(Continued from Page 1)

to priests waved branches in a purification rite to drive away evil spirits.

Equipment Smashed

The government had planned an elaborate opening ceremony for

March 26. It was canceled when radicals breached police lines three days before the opening and smashed communications equipment in the control tower.

Yesterday's dedication occurred 11 years and 10 months after the government decided to build an air-

port here to ease overcrowding at Haneda. Narita is now scheduled to take over all international flights, while domestic lines remain at Haneda.

Four policemen and a demonstrator have been killed in the many protests, and thousands of police and protesters have been injured.

Initial opposition to the airport came from farmers who were asked to give up their lands. Environmentalists, anti-government radicals and others later took up the cause. Most farmers agreed to accept compensation, but a few still are holding out, forcing delays in plans to expand the facility, which now has only one runway.

'Galloping Granny' Completes U.S. Run — 20 Minutes Early

NEW YORK, May 21 (AP) — Despite dogs, rain and traffic, Mavis Hutchinson, the 53-year-old "galloping granny," completed her transcontinental run yesterday 20 minutes ahead of schedule.

Wearing sunglasses, a blue running suit and sneakers, the South African mother of six and grandmother of six ran across the Brooklyn Bridge and over to the front steps of City Hall 20 minutes ahead of her planned arrival time.

Having come from New Jersey via Staten Island and Brooklyn, she completed a 2,908-mile run that had begun 69 days, 2 hours and 40 minutes earlier at City Hall in Los Angeles.

Mrs. Hutchinson said that she was not tired but a little surprised that it was all over.

"It came too suddenly," she said. "I thought I had quite a way to go. I feel great. I feel like I just came off a training run. I have no ill effects at all." However, she said that she had lost about 5 of the 108 pounds she weighed at the outset.

She said she planned to celebrate her successful run and then return to South Africa to see her children.

Followed by two camper vans supplied by a cosmetics firm that sponsored her run, Mrs. Hutchinson ran 14 hours a day, starting at 4 a.m. and stopping only for meals.

Further Threats Are Attributed To Red Brigades

ROME, May 21 (Reuters) — A Rome newspaper today defied an official news blackout and published part of a communiqué purported to be from the Red Brigades killers of former Premier Aldo Moro and which said that other politicians were also guerrilla targets.

But the police expressed serious doubts about the authenticity of the communiqué, which warned Premier Giulio Andreotti and other Christian Democrat leaders they would be "neutralized with efficiency at the right time."

The newspaper *Il Messaggero*, alerted to the communiqué by an anonymous telephone caller, last night said it had a duty to publish the essential part of it despite orders from a state prosecutor not to release the contents.

In the section published by *Il Messaggero*, a Rome cell of the Red Brigades said that the Moro murder was only the first act of their war "to destabilize, disarticulate and destroy the state of the multinationals." The message warned Mr. Andreotti, Senate President Amintore Fanfani and Christian Democratic Party Secretary Benigno Zaccagnini that they could be victims.

13 Cubans Said Killed in Angola

BELGRADE, May 21 (AP) — A Yugoslav report from Luanda yesterday said that 13 Cuban soldiers were killed in Angola during renewed fights with enemies of the regime.

Politika, the Belgrade daily, carried a report of its correspondent in Luanda saying that, according to reliable information obtained from circles close to military authorities, in the last three weeks in the north of Angola activities of FNLA, the Angolan group fighting the Marxist government, had revived.

The report said that terrorist groups have performed in that region at least eight attacks on fighters of the Angolan army and Cuban troops stationed in the north.

French Fighting Rebels in Chad, Malloum Says

PARIS, May 21 (Reuters) — French troops are taking a direct part in fighting against Libyan-backed rebels in the north of Chad, Chad President Felix Malloum acknowledged here today.

Gen. Malloum, who arrived in Paris during the weekend for the 21-nation French-African summit conference opening tomorrow, told journalists: "French military aid in Chad consists of backing up the Chad army and helping it to reform after the losses we suffered in the Bet (northern Chad)."

Asked whether French forces were taking a direct part in the battles, Gen. Malloum replied, "To provide a backup, you have to be in the fighting."

Two French military advisers at the training base of Mongo, in the center of the country, died in fighting last week at An, 420 kilometers northeast of the capital of Ndjamena.

Dominican Dark Days

(Continued from Page 1)

Mr. Balaguer during his period of decision. "I told him," Mr. Plaza said later, "that he was a man with a brilliant political career, who had saved his country from chaos and been a constructive president. Accepting the results of the election would be a final feather in his cap — it would assure his place in history."

But I warned him he would be considered responsible for this shady ending, and asked if he wanted to commit political and historical suicide."

Since he was elected in 1966 to head the new Dominican democracy after a bloody civil war, Mr. Balaguer has ruled without serious challenge. In 1970 and in 1974, he ran virtually uncontested after the leading opposition withdrew, claiming that the contests were rigged.

As this year's election approached, however, the opposition party was ready.

Sadat Seeks Mandate

Strictures on Press, Foes Expected to Pass in Egypt

By Christopher Wren

CAIRO, May 21 (NYT) — With its experiment in democracy at a crossroads, Egypt today held a national referendum that would, if approved, give President Anwar Sadat a sweeping mandate to crack down on his political critics and limit expression in the press.

The government predicted that nearly 11 million Egyptians would go to the polls, assuring Mr. Sadat the popular support that he is seeking. Western reporters who visited at least a dozen electoral precincts in populous areas of Cairo today found a relatively light turnout. A higher percentage of voters were likely to come forward in the countryside, where Mr. Sadat is especially revered.

The referendum is expected to run overwhelmingly in Mr. Sadat's favor. The results will be tabulated tonight and announced tomorrow morning. Mr. Sadat has scheduled a news conference for selected journalists Tuesday to discuss the outcome.

Mr. Sadat called for the referendum last Sunday to dispel what he charged was a "campaign of doubt" being waged by political opponents on the left and the right. His measure has drawn fire from a spectrum of opinion in Egypt. In a statement yesterday, the Egyptian Bar Association criticized the referendum as "unconstitutional, illegal and a setback to democracy."

Undercuts 4 Parties

The referendum is assumed to be aimed at undercutting two of the country's four legal parties, the leftist Unionist Progressive Party and the conservative New Wafd Party. Members of both parties have been assailed by Mr. Sadat's domestic policies, particularly on the economy, although not his peace initiative with Israel.

Last week, the leftist party tried to instruct its supporters to vote "no" to the referendum. But the party weekly carrying the editorial was confiscated by authorities on the ground that it was inciting a boycott.

The New Wafd Party last night also rejected the referendum, but stopped short of telling Egyptians how to vote.

Legal Question

Japan's 15 nuclear plants operate on enriched uranium supplied by the United States. Legally, Japan owns whatever plutonium is built up when the uranium is burned but, under the U.S.-Japanese agreement, the United States has the right to approve or disapprove the extraction and transfer of that plutonium in Japan.

"I doubt very seriously the U.S. would cut the Japanese off from its supply of enriched uranium," an administration source said. "But I don't think we'd make any such commitments on the plutonium."

In addition to the 15 nuclear plants it now has, Japan is building 13 more. Japan insists it cannot count on fueling these plants with enriched uranium and thus needs to power them with plutonium.

President Carter has deferred indefinitely U.S. use of plutonium and has asked the rest of the world to follow the example. The way the president delayed the U.S. plutonium decision was to withhold funds for the Clinch River fast-breeder reactor in Tennessee that would produce plutonium, and for the reprocessing plant at Barnwell, S.C., that would extract plutonium from spent fuel.

Like the United States, Japan stores its spent fuel in huge "swimming pools" of water located adjacent to the nuclear power plants. The Japanese have told the United States they are running out of storage space for spent fuel — and have used that as another reason they must have the spent fuel reprocessed.

Bhutto Lawyer Charges Plot

ISLAMABAD, Pakistan, May 21 (AP) — The attorney for deposed Prime Minister Zulfikar Ali Bhutto charged yesterday that a death sentence imposed on Mr. Bhutto is part of an international conspiracy. The government denied the charge.

Yahya Bakhtiar made the allegation on the opening day of Mr. Bhutto's Supreme Court appeal of his March 18 death sentence. He was convicted with four others of conspiring to murder a political opponent in 1974.

Mr. Bakhtiar did not say whom he thought was behind the conspiracy or what was the motive. Mr. Bhutto has claimed that the Western nations wanted his removal because he was a leading spokesman for nonaligned nations.

Export Licenses Delayed

U.S. Stalls on Uranium For S. Africa, Pakistan

WASHINGTON, May 21 (WP) — The Carter administration has withheld approval of licenses to export uranium to South Africa and Pakistan to Pakistan.

Both licenses were held up because of questions on South Africa's and Pakistan's intentions to develop, produce and test nuclear weapons. South Africa is building a plant to enrich uranium that it says will be used only for peaceful purposes, while Pakistan has announced that it intends to build a reprocessing plant to extract plutonium from spent uranium fuel.

The export licenses to South Africa and Pakistan were 2 of 12 nuclear licenses held up by the State Department to allow "further review" of the licenses. Export licenses also were held up for Bolivia, Yugoslavia, Iran, Malaysia, Bangladesh, India, Mexico, the Philippines, Taiwan and China.

The licenses involving shipments to South Africa and Pakistan were the only two held up for purely political reasons. The State Department explained to Congress that the South African license was held up "awaiting the outcome of a review of U.S.-South African nuclear cooperative relationship."

Reprocessing Capability

The State Department's explanation for holding up the Pakistan license was Pakistan's "avowed intention to obtain reprocessing capability."

The license for export to South Africa involved the shipment of 57 pounds of highly enriched uranium bound for the Safari research reactor. The uranium is enriched with 93 percent U-235, which is the isotope that undergoes fission to produce chain reactions. It is the same kind of uranium used to make nuclear weapons.

The South African request for this uranium dates back more than three years. It is now the oldest pending nuclear export license before the federal government, having been filed during the Ford administration.

While the holdup of the license to South Africa is not a denial, it represents the next thing to it. It also marks what might be a disagreement inside the Carter administration about how to deal with

South Africa on nuclear matters.

In November, the U.S. ambassador to the United Nations, Andre Young, said publicly that the U.S. should not cut off nuclear exports to South Africa. "To do things off would only encourage separate development of South Africa's own nuclear potential," said.

Owner of one of the world's richest reserves of uranium, South Africa is building its own uranium enrichment plant. Ostensibly, plant will produce only low-grade uranium for power but it could be used to produce the kind of highly enriched uranium that goes into nuclear weapons.

There have long been rumors that South Africa has plans to develop nuclear weapons. A site in the Kalahari desert has been reported to be the test site for weapons. South African statements on the matter have been ambiguous.

The export license held up Pakistan involved less than a pound of plutonium, which destined for a research reactor where it was to be used to irradiate materials with alpha particles. Plutonium can also be used to make cheap weapons.

Policy Message By Nonaligned

BELGRADE, May 21 (AP) — The sixth ministerial meeting of nonaligned countries' coordinating ended three days of work here last night with the signing of a joint communiqué on world political and economic situation, a Yugoslav report said today.

In its report from Havana, Yugoslav news agency Tanjug said that the nonaligned government agreed that in spite of attempts to split the nonaligned movement, it has succeeded in proving strength.

The communiqué urged us to further unify nonaligned nations and to oppose foreign domination.

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'Doing All We Can'

Carter Says Laws Restrict U.S. Assistance to Zaire

WASHINGTON, May 21 (NYT) — President Carter has complained that the ability of the United States to supply defensive weapons to African and other countries in a crisis was sharply limited by congressionally imposed restrictions.

In an interview with some out-of-town editors made public yesterday, Mr. Carter said that within the bounds of law, which he said, "we are honoring rigidly," the United States was "doing all we can."

Since the crisis in Zaire began, the administration has been publicizing the restrictions barring or limiting unrestricted covert military assistance to countries and specifically prohibiting such aid to Angola, which served as the base for the Katangans who invaded Zaire's Shaba province.

A top-ranking State Department official said Thursday night that the concern about restrictions was genuine and included not only the restrictions on covert action, but the limits put on foreign aid.

Act of Congress Needed

For instance, although the United States was able to speed delivery of military equipment already ordered by Zaire under a military credit program, the President would have been unable to provide Zaire with military equipment on a gift basis under current law without a specific act of Congress.

The State Department issued yesterday a list of the restrictions, covering several pages. Senate Majority Leader Robert Byrd, D-W.Va., said yesterday: "The State Department has been unable to provide documentation thus far to indicate that the President's hands are tied in giving assistance to friendly governments attempting to combat Communist insurgency or incursions."

He said that he had discussed the matter Friday with Secretary of State Cyrus Vance and had concluded that the President could act as he desired as long as he certified to Congress that it was important to national security and kept Congress informed.

Mr. Carter, in the interview, said

that the U.S. role in the Zaire airlift — supplying 18 C-141s — was very limited.

Although some administration officials have suggested that many of the restrictions should be lifted, Mr. Carter said "I favor a lot of those constraints."

He said the War Powers Act suits me fine where the President cannot initiate military action without consultation with the Congress.

As to the situation in Africa, he again castigated the Russians, saying that they "are very eager to send Cuban troops, actually to be involved in the fighting, and the Cubans respond without reticence."

He added, "In order to meet that challenge, we depend upon our own voice to express our concern to the Soviets through my own public statements, through private correspondence between me and (Leonid) Brezhnev, through diplomatic channels, through the voices and influence of our allies around the world who want to see an absence of military action and outside interference."

Great Interest

He said that the United States was watching with great interest and concern the degree of Soviet involvement in Ethiopia, particularly in the effort of the Ethiopians to crush the independence movement in Eritrea. He also repeated the charge made last week that the Cubans had no justification in calling themselves nonaligned.

"They are the most heavily dependent and subservient country to the Soviet Union which I am aware of, certainly outside the Eastern bloc itself," he said. The Cuban military presence in Africa "is inimicable [sic] to peaceful progress and is unwarranted intrusion."

"So through all these matters we try to meet that challenge on a non-military basis," he said. "We have a limited ability to supply defensive weapons to those countries, under very tight constraint from laws that control my actions and we take advantage of that."

Israel Says U.S. Jet Sale Upsets Arms Equilibrium

(Continued from Page 1)

to counter this emerging threat," Mr. Nour said. He refused to elaborate.

Some Israelis suggest that Israel may stiffen its reluctance to give up three air bases it built in the occupied Sinai peninsula. Israel has agreed to return the Sinai to Egypt but had hoped for an agreement that would allow it to continue using the airfields.

Government sources speculated

GM Is to Trim Top Pay Raises

DETROIT, May 21 (UPI) — General Motors Corp., in a gesture of support for President Carter's anti-inflation program, has pledged to trim salary and bonus increases for its highest-paid executives.

Chairman Thomas Murphy told GM stockholders that the company also will work to hold down car prices, but he declined to rule out further increases this year.

Mr. Murphy told a stockholder's meeting Friday that this year's pay increases for top GM executives will be held below 5 percent. As a group, GM's top executives received increases averaging 5.5 percent in 1977. Mr. Murphy and GM President Elliott M. Estes were the top money earners at \$975,000 and \$910,000 respectively in salaries and bonuses.

Under the self-imposed limitations, the two executives still could receive pay raises of more than \$45,000 this year. President Douglas did not necessarily rule out a sizeable price increase when new models are introduced in the fall.

Area Larger than California

Alaska Land Protection Passes House

By Charles Mohr

WASHINGTON, May 21 (NYT) — The House of Representatives has passed overwhelmingly a bill that would protect the wild status of portions of Alaska larger than all of California.

After three days of emotional debate, environmentalists roamed the aisles of Congress pleading for support, the Alaska National Interest Lands Conservation Act passed by a vote of 277 to 31.

President Carter, Interior Secretary Cecil Andrus and the bill's supporters in Congress and the environmental movement view the bill as the most important and sweeping conservation measure in decades — perhaps of all time.

As its foes made clear during the debate, however, some others regard it as a major error that would hamper the economic development of the state of Alaska and the search for oil and minerals on its 365-million-acre land mass.

Almost Half the State

The House bill would add 124.6 million acres to the 45.7 million acres of land already under federal protection. The new total for the state would be 170.3 million acres, almost half of the state.

Friday's addition were made part of a new system of national parks and national monuments and additions to three existing park lands, involving a total of 42.6 million acres. In a stroke, this would more than double the extent of U.S. national parks. Of this new acreage, however, 15.9 million acres were put into a new category called "park preserves," in which sport hunting would be permitted.

An amendment passed by voice vote added to 54.5 million acres of other new National Wildlife Refugees, the 23-million-acre National Petroleum Reserve in northern Alaska, where no oil has yet

been found. However, the petroleum reserve land would be managed with a priority on the search for oil and natural gas.

Such exploration can also be conducted on sizable parts of the more pristine refuges that have not been officially classified as having wilderness status, but only if it is done in a manner compatible with wildlife propagation.

The bill also would add 2.74 million acres to existing national forest lands, and would protect 1.67 million acres as the banks of wild and scenic rivers.

The hope of advocates of the measure was that Friday's large margin of victory on the House floor would persuade the Alaska senators and the Senate majority leader, Robert Byrd of West Virginia, that there is too much public support for the measure for it to be bottled up.

May Be Reconsidering Sens. Stevens and Gravel were not at the Capitol Friday, but a source close to Sen. Gravel said, "I imagine he may be reconsidering his tactics." This source believed that if the Senate would insert a provision providing for joint state-federal management of lands, outside national parks, Sen. Gravel might clear the way for passage.



FLYING HIGH — Capt. Henry Stuart takes relish in showing his godson, Eric Peterson, the controls of the Boeing 707 he rented for \$5,000. Smart, retiring after 31 years as a pilot, rented the plane to have his retirement party, with 125 guests, 17,000 feet over New York.

67 Countries Turned Down in '77

U.S. Barred \$1 Billion in Arms Sales

By Don Oberdorfer

WASHINGTON (WP), May 21 — The State Department said the United States turned down more than \$1 billion in requests for arms sales last year from 67 countries.

Because of the diplomatic sensitivities involved, the department declined to make public details of the arms requests that were "turned down or turned off" in 1977. However, Undersecretary of State Lucy Benson said that the list included:

- Helicopter gunships, fighter-bombers, howitzers and missile-launching equipment for African countries.
- Helicopters, missile systems, tanks and an intelligence system for Asian countries.
- Guided-missile patrol boats, electronic warfare systems, tank engines and anti-aircraft missiles for Middle Eastern countries.

- Armored personnel carriers, helicopters, training aircraft and air-to-air missiles for Latin American countries.
- Tanks and missiles, fuses for napalm bombs and co-production agreements covering aircraft, ships, missiles and advanced radars for NATO countries.

Arms requests, she said, were rejected from 19 countries that do not have military supply relationships with the United States as well as from 48 countries that do. A new military supply relationship was established with the Sudan last year.

The department's report was released Friday by the House International Relations Committee on the first anniversary of President Carter's announcement of his overseas arms sales policy. Miss Benson, who heads the Arms Export Control Board established under the Carter policy, said that much of the first year's effort went to establishing procedures and conducting reviews.

She reported that U.S. military sales abroad are expected to rise from \$1.5 billion in fiscal 1977 to \$1.2 billion this year. With sales to NATO countries, Australia, New Zealand and Japan as well as overseas military construction and training exempted from the figures and an adjustment made for inflation, the Carter administration calculates that military sales subject to its special presidential ceiling will decline from \$9.3 billion last year to \$8.6 billion this year.

The Institute for Policy Studies, a Washington-based research group, charged in a report on the Carter policy that the ceiling is "a phony one" because of its exclusions.

Informed U.S. officials said that Mr. Carter, who as a candidate attacked sharply mounting military sales and the resulting international arms race, insisted during most of his first year on personally consid-

ering each proposed arms sale large enough to be reported to Congress. He did not reject any but held up several for a time, they said.

Mr. Carter decided recently not to personally review proposed sales that are routine follow-ups to earlier transactions, but all sales to be submitted to Congress, the officials said, are given reviewed by Secretary of State Cyrus Vance, Defense Secretary Harold Brown and Zbigniew Brzezinski, the national security affairs adviser.

The U.S. arms industry, now required to obtain U.S. permission at an earlier stage of discussions with foreign officials over sensitive items, appears to be weathering the Carter policies with little difficulty. The industry is working on a backlog of \$30 billion in overseas sales approved before Mr. Carter took office.

nier Brzezinski, the national security affairs adviser.

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2 Soviet Employees at UN Held on U.S. Spy Charges

(Continued from Page 1)

viat career diplomat at the UN, recently sought political asylum in the United States but had nothing to do with the investigation leading to the arrests, the spokesman said.

The third Soviet official, named as a co-conspirator in a complaint filed as the basis for arrest warrants, was identified as Vladimir Zinyakin, 39, an attaché at the Soviet UN mission.

The United States has protested the alleged spy activities of the three and asked that Mr. Zinyakin be sent home, the State Department said today.

William Luers, assistant secretary of state for European affairs, met with Soviet aide Vladilen Vasev in Washington and "protested involvement of all three Soviets in espionage activities," a spokesman said.

Officer Unidentified

According to the complaint, the key to the case was the unnamed Navy officer who cooperated with the FBI and the Naval Investigative Service after he was contacted in August. Authorities refused to identify the officer.

The 13-page complaint outlines a scheme in which the officer never met face-to-face the men with whom he was dealing. Instead, the alleged Soviet spies used a series of calls to public phone booths along New Jersey turnpikes to direct the American to locations for pickups of instructions and money and drops of film of classified documents.

The operation finally was penetrated, however, according to the charges, when the Navy officer tipped off the FBI agents, who observed the Soviet officials driving to the pickup spots in cars registered in their own names.

After the first contact with the American last August, the complaint said, he was asked to obtain secret information about anti-submarine warfare, including materials involving underwater acoustics and submarine detection systems such as the sub-hunting helicopter.

U.S. Detection System

Anti-submarine warfare is an area in which the United States has a significant lead over the Soviet Union.

The United States has underwater microphones which are constantly tuned to Soviet submarines sailing off U.S. shores. Computers in the detection system can figure out from the sound picked up exactly which submarine is being tracked and can plot the speed and course of Soviet submarines.

In addition, the United States has made advances in recent years in finding submarines through devices dropped from helicopters and planes and towed behind ships at varying depths.

Instructions for Drop

On one occasion mentioned in the FBI complaint, the U.S. officer, known as Ed, said that he was called at a public phone along the Garden State Parkway by his contact, called Jim. He was told to find instructions hidden under the shelf of a nearby phone.

Machel in Mongolia

MOSCOW, May 21 (AP) — Mozambique President Samora Machel arrived in the Mongolian capital of Ulan Bator today on a visit and was welcomed by Mongolian leader Yumjagbayin Tsedenbal, the Tass news agency said.

May Get Life Sentences

Two in Vietnam Spy Case Convicted

By David Burnham

ALEXANDRIA, Va., May 21 (NYT) — A federal jury has convicted two men — a former official of the U.S. Information Agency and a Vietnamese graduate student — of being spies for Vietnam.

After two days of deliberation, the jury Friday found Ronald Humphrey and David Truong guilty of espionage and five other charges.

The maximum possible sentence for espionage is life in prison.

The men stood without apparent emotion while the verdicts were read, but Truong's sister, Monique, broke into quiet sobs. Humphrey's father, a retired tax assessor, lunged to the rail in front of the spectators' section of the courtroom.

Father Pleads

"Your honor," the senior Humphrey pleaded, "can I take my son's place in jail tonight? He is going to need the love of his family."

"I'm sorry," replied U.S. District Judge Albert Bryan Jr. "You can't."

Truong and Humphrey were held without bail. Judge Bryan said he would set a date for sentencing at a June 23 hearing.

Humphrey, 42, was a foreign-service officer in the USIA with service in Germany, Vietnam and the United States. Truong, 32, has been a student and active peace lobbyist in the United States for almost the last decade. His father ran for president of his country during the Vietnam War and was subsequently thrown in prison by the South Vietnamese government.

Many believe the case raises a number of questions about the limits of power of the president and the federal government.

Humphrey and Truong had acknowledged forwarding about 100 government documents, among other material, to Vietnamese nationals in France.

They had denied being spies, in-

sisting that none of the cited material was related to national defense. Humphrey testified that he had provided Truong with material in an effort to improve U.S.-Vietnamese relations and thus help win the freedom of his Vietnamese common-law wife and her family. Truong said he was working only to normalize relations between the two countries.

The charges, brought under separate but sometimes-overlapping laws, were espionage, conspiracy to commit espionage, conspiracy to commit an offense against the United States, stealing U.S. property, failing to register as agents and the unauthorized possession of documents relating to national defense.

According to officials in Washington, the convictions in this case raise several issues that may eventually confront the Supreme Court. Among them:

- The identification of Humphrey was based on a wiretap authorized by the Carter administration without a warrant from a judge. Should this wiretap be upheld on an expected appeal, it would be the first formal action of the Supreme Court establishing that a president, on national-security grounds, may ignore the protections against illegal search and seizure in the Fourth Amendment of the Constitution.

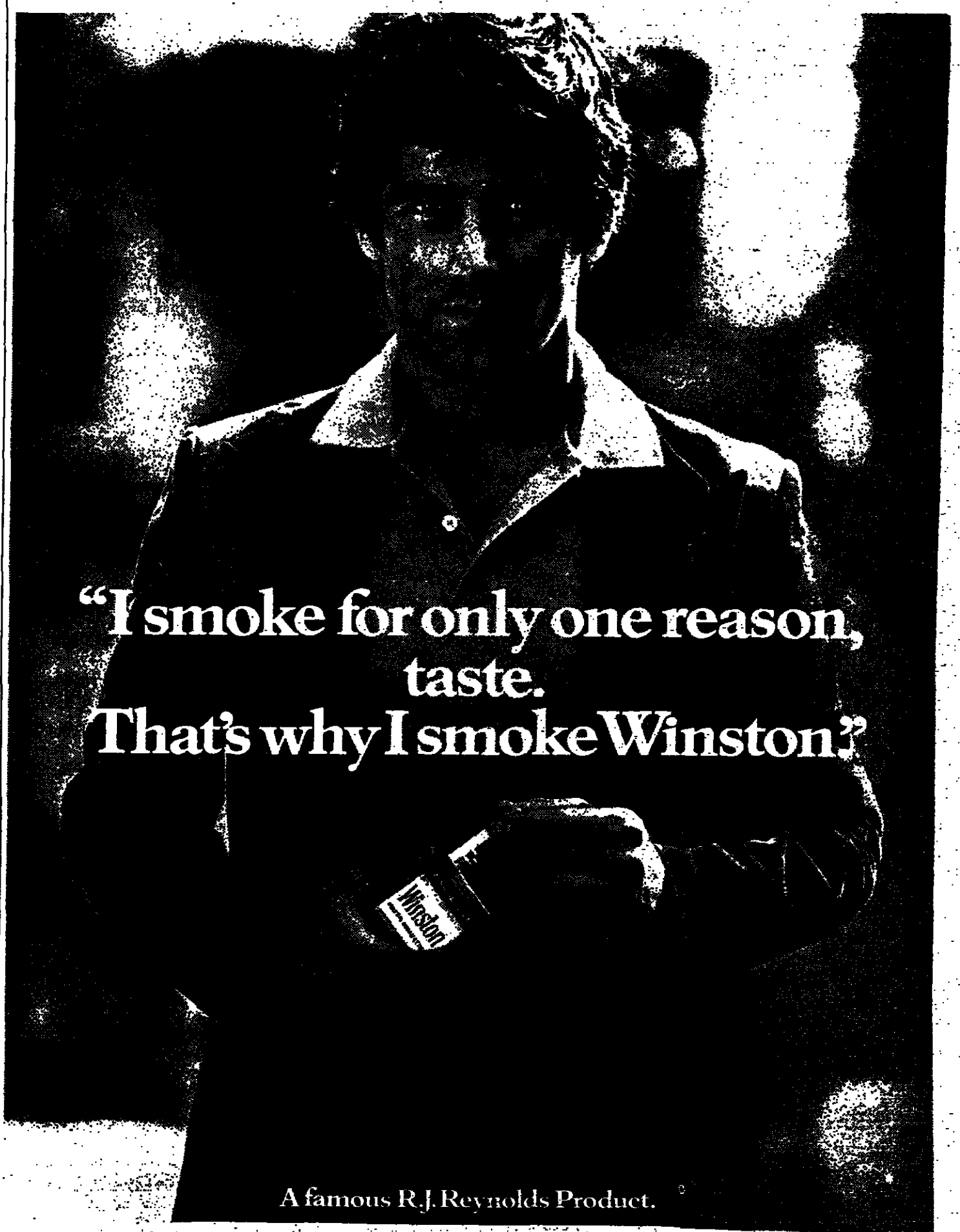
- To reach the guilty verdict on the espionage charges, the jury was required to determine that at least some of the documents in question were related to national defense. Because the documents that were passed did not involve such items as weapons or war plans, defense attorneys had argued that a finding of guilty would result in a major and potentially unconstitutional broadening of the government's powers to keep its secrets.

For the government, the case apparently began in 1975 when a Vietnamese woman named Dung Krall agreed to become an unpaid undercover agent for the CIA.

Thai Police Copter Downed by Rebels

BANGKOK, May 21 (AP) — Communist insurgents have shot down a Thai border police helicopter during heavy fighting near the Thai-Lao border, police reported yesterday.

Police said that about 100 insurgents launched two separate attacks Friday against a border police operation command post at Nan and engaged in heavy fighting. Police said that they received no information on the fate of the four policemen aboard.



A New Rush to U.S. Riches: Foreigners Are Buying Up the Farmlands

By Robert Lindsey

STOCKTON, Calif. (NYT) — Alfred Zuckerman's father came here from Texas 70 years ago and began farming the capricious soil of the San Joaquin River delta. Realizing a dream in 1937, he bought a 5,200-acre island in the river and turned its rich peat into a farm lush with asparagus, potatoes, onions. Zuckerman family for more than 40 years. But last month it was sold for \$5.8 million to a corporation based in the European principality of Liechtenstein and owned by Italians. "I've never met the investors and don't know who they are," Alfred Zuckerman said.

The island here is among thousands of acres in California's San Joaquin d Zuckerman said.

The island here is among thousands of acres in California's San Joaquin Valley, and many thousands of acres more elsewhere across the country, that have recently gone into foreign ownership. The unusual real estate rush by nonresident foreign buyers involves not only farmland but also shopping centers, office buildings, hotels, houses and other property.

Foreign investors, troubled by political and economic instability in their own countries and attracted by the greater purchasing power of a deflated dollar have given them, are buying much of the United States — but no one knows how much.

Gerald Jackson, president of the American Real Estate Exchange of San Francisco, which handles many

foreign sales estimates that about 20 percent of all farmland being sold in the country now is going to foreign buyers and that the total is 40 to 50 percent in certain areas, among them the Mississippi Delta, certain parts of the Middle West and California's Central Valley.

\$800 Million Investment

The European Investment Research Center, a holding company in Brussels, estimated recently that Europeans spent \$800 million on American farmland last year alone, while other estimates placed the total investment in real estate at several times that amount. But none of the figures are more than guesses.

Many, if not most of the purchases, government experts said, are being made through trusts, cor-

porations, banks, lawyers and offshore companies in the Netherlands Antilles and other Caribbean locations that specialize in concealing such transactions.

Farmlands

Farmers in many parts of the country are more and more frugal in the acquisitions, complaining that foreigners are often paying too much for land and driving up prices and taxes. However, some real estate brokers who cater to foreign investors argue that American farmers are overreaching, that there are not as many deals being consummated as the farmers believe.

"If foreigners could buy all the farmland available for the next 10 years, they would not own 2 percent of the country's farmland," said Jeffrey Server, an executive of

Chicago's Arthur Rubloff & Company, a major dealer in farmland. "There's no reason at all for the family farmer or anyone else to feel threatened by foreign investment."

But such reassurances have not stilled the protests, and there are lobbying efforts around the country to limit such purchases by state law.

Restrictions Sought

"You can't pay what these people are paying for the land and farm it," said Richard Lehman, a Democratic assemblyman from a farming district in California, who is pushing legislation to restrict foreign purchases. "Land is probably the most important resource we have, and we do not have the necessary tools to find out who owns it."

Seven states — Connecticut, Indiana, Kansas, Mississippi, Nebraska, New Hampshire and Oklahoma — have laws barring nonresident aliens from owning land, and 13 other states, including New York, impose some limits.

But knowledgeable real estate experts say that most of these laws can be circumvented easily, and they add that, if tested, the laws might be held unconstitutional because they deny equal protection under the law to foreign buyers.

Although there are no reliable figures on the total volume of foreign land purchases in the country, interviews with government officials, real estate specialists, foreign investors and others in 15 states suggest a large and growing role by foreign investors in American real estate.

Canadian investors, because they have generally been less secretive in their dealings, are among the most conspicuous buyers. But the interviews indicated that moneyed families, corporations and institutions such as pension funds from West Germany, Italy, France, Britain, the Netherlands, Belgium, South Africa, Rhodesia, the Arab countries, Latin America, the British crown colony of Hong Kong and elsewhere are investing heavily in this country.

Florida investments — In south Florida, some real estate men estimate that French-Canadian investors have spent more than \$500 million in the last three years; a company controlled by Canada's Hudson's Bay com-

pany recently announced that it would finance half the cost of a \$1 billion new town of 50,000 people in Dade County.

Canada's Olympia & York Development Ltd. recently bought eight New York City office buildings for almost \$350 million, and has made several other acquisitions in the United States.

Another Canadian company, Nu-West Development Corporation Ltd. of Calgary, recently paid \$16 million for 2,000 acres of undeveloped land overlooking the coast at San Clemente south of here, not far from the home of former President Richard Nixon. The same company offered recently to buy 80 percent of a major Phoenix home builder.

Substantial foreign real estate investments were reported in virtually every section of the country. The following examples give an indication of the activity.

In Boston, the 34-story State Street Bank Building was sold to Dutch investors for \$35.5 million, and Italian and French companies are among the major investors in Boston's redevelopment effort.

In Montana, a recent survey by state officials indicated that foreign buyers had acquired at least 100,000 acres of ranch land.

In Beverly Hills, real estate experts estimated that Arab and Iranian investors had spent more than \$150 million in the last 18 months on expensive homes. Significant numbers of Korean and Chinese investors have also bought homes in southern California, some of

them, real estate agents said, with cash.

In New Orleans, Iran's Bank Omran is supplying half of the capital for a \$500 million complex of offices, hotels, stores and apartments called Canal City. The Ferruzzi family of Ravenna, Italy, bought and is developing a 27,000-acre cattle ranch; the family also owns major ranching properties in North Carolina.

In northern Iowa, a prosperous West German farmer, Clemens August Van Twickel, bought 1,013 acres of farmland last year for \$2 million, not far from where the Metternich family of West Germany paid \$3.85 million for a farm three years ago.

Last week, a Dutch-backed consortium bid \$50 million to buy the Roosevelt, Biltmore and Barclay Hotels in Manhattan from the Penn Central Company. And along Wilshire Boulevard in Los Angeles, Arab and Iranian investors have bought at least a half-dozen office buildings in the past six months.

In a comment echoed by his counterparts in other parts of the country, Roy Schwarz Jr., a New Orleans broker, said of the overseas buyers:

"They're looking to put out big bucks; they want shopping centers, office buildings, quality property. They're paying high prices and taking low returns. They want to preserve the capital and they want a piece of ownership. They figure this country is the last bastion of free enterprise."

Lower Returns

The foreign buyers are often willing to settle for lower rates of return than Americans. This quality has troubled some real estate men.

"As a broker, I must say the commissions from foreign purchases are as spendable to put by children through college as those of domestic buyers," said a Philadelphia broker. "But the prices can get out of whack and become higher than domestic buyers can afford; we see Equitable Life and Prudential buying properties for 8.5, 9, 9.5 percent return while foreign buyers are getting them for 6.5."

Stephen Weber of Oppenheimer Industries in Kansas City said that fear of leftist governments, terrorism and kidnapping and the desire to preserve capital — not necessarily to make money on it — were all factors.

"There is a lot of old wealth in Europe," he said, "and these people know from experience that after wars and conflicts have ended, retention of farmland has enabled them to retain a net worth and get back on their feet. They're looking now at American farm properties because they feel this is the last place in the world where land will be confiscated."

Regarding commercial properties, Edward Sulzberger of Solange Real Inc. in Manhattan, which sold a Fifth Avenue office building last week to a West German company, said: "The dollar is so low that even if foreigners did nothing with the property they've bought, they'd made a handsome profit."

Here in California's great Central Valley, where family farms have given way increasingly in recent years to large corporate agribusiness enterprises, the question that farmers are asking is: How much more will the foreigners buy?

More Deals

And the deals continue: last month an Italian family bought a 2,120-acre peach ranch south of here for \$5.5 million. Two of here, in Sacramento, some Canadians bought a hotel for \$4 million; Hong Kong investors bought a 300-unit apartment complex for \$5.7 million; a smaller apartment house went to investors from Thailand, and three shopping centers were bought by Swiss and Canadian investors.

"This is about the last of the big family-owned properties around here," Mr. Zuckerman said, remarking on the irony that his family had to sell because of the need to pay inheritance taxes after his father's death.

Mr. Zuckerman has agreed to help manage the property for a year, then the Italians will take over. Mr. Lehman, the State Assemblyman who is trying to win passage of laws to block such purchases, said he expected them to continue. "It's an incredible infusion of money," he said. "The only thing holding them back is the there's not that much land to sell."

Q.—Why does Mr. Brezhnev keep talking up the growing danger of a world war as there is not threat whatsoever from the Western side? Is this designed to produce more concessions and conditioned reflexes of appeasement from the West?

A.—On the one hand, yes, but on the other hand nobody should underestimate the enormous losses the Soviets suffered under Hitler's attacks, a grim reminder that are still vivid in Mr. Brezhnev's generation. They therefore have a strong motivation for defense. At the same time, Mr. Brezhnev's dedication toward peace is beyond doubt. It seems to me that the Soviet leadership during the last 10 years, following the invasion of Czechoslovakia in 1968, has tried to maintain a delicate balance by keeping the military with them while they went ahead with détente with the West. If you see the degree to which the Soviet Union and other Comecon countries depend on Western capital markets, Western technology, it's quite clear that this is not strengthening their ability to operate autonomously belligerently. But it creates quite a lot of interdependence between the economies of West and East Europe.

Q.—Did you yourself say that, to

Regime Declares Martial Law in Peru

By Juan de Onis

LIMA, May 21 (NYT) — Peru was placed under martial law yesterday as the military government moved to halt a wave of looting and sabotage in which at least 12 persons died last week.

Police jailed hundreds of leftist labor leaders and canceled television and radio broadcasts of political parties campaigning for next month's constitutional assembly election, the first in 10 years.

President Francisco Morales Bermudez, who, under strong military pressure, adopted the measures suspending constitutional guarantees of assembly and freedom of speech, said that Peru was threatened by an "organized subversive movement."

Military commanders through-

out the country were given orders under a plan for "internal defense" to protect public services, suppress strikes and demonstrations, and maintain food supplies.

Price Increases

Serious disturbances, led by political agitators, broke out in many cities last week after the government authorized large price increases for gasoline, wheat products, milk and cooking oil, which had been subsidized.

This highly unpopular price decision was made by Peru's military government after the International Monetary Fund and foreign banks refused to refinance the country's heavy short-term debt of about \$1 billion this year unless the government took measures to reduce deficits and increase exports.

As soon as the price increases were announced, the Communist-led General Labor Federation announced a national strike for this week. It was declared illegal. Leftist politicians made the price measures the main issue in their television campaign statements.

Military commanders have been fuming over criticism of the armed forces, which have ruled Peru for 10 years, and have assailed the plan to hold elections. There were rumors of a move to oust Mr. Morales, who retired as army commander-in-chief early this year, but retained the presidency.

First Step

Mr. Morales represents a faction in the armed forces that wants to return operation of government to elected civilians by 1980. The constitutional assembly is the first step. But the armed forces are so unpopular that most are demanding that the military transfer power sooner than 1980.

This is the most difficult moment faced by Mr. Morales since he ousted President Juan Velasco Alvarado, the populist leader of the 1968 military movement, in 1975 and began a gradual effort to moderate the nationalist extremes and fiscal irresponsibility of the military regime, which has spent more than \$2 billion on arms.

The Peruvian armed forces are being blamed publicly for the worst economic crisis here in several decades. Prices have soared with inflation now at an annual rate of 80 percent. Thousands of workers have been laid off as private firms go into debt and are unable to pay banks.

The country's external debt problem is equally disturbing. The United States has agreed to accelerate some food shipments on credit, but has not helped much with the problem of large debt to foreign private banks.

Loud Whistler Told to Blow

LONDON, May 21 (UPI) — Walter Judge can go whistle for his 38-year-old marriage.

Deputy Judge Philip Cox granted Mr. Judge's wife a divorce Friday because of the man's incessant whistling.

"It was loud and monotonous," the judge said of the 67-year-old Mr. Judge's whistling. "He would indulge in this silly whistling and singing hymns."

The words of it was last Christmas Day, Judge Cox said, when Mr. Judge began at 6 p.m. and didn't stop whistling for four solid hours. The next day he did a 6:45 a.m. encore.

"Mrs. Judge ignored him and tried to sleep and eventually he stopped," Judge Cox said. The divorce was granted on the grounds of unreasonable behavior.

Paper Shortage Slows China's Education Drive

TOKYO, May 21 (AP) — In its drive to accelerate education for scientists, technicians and skilled workers, China faces a shortage of one important ingredient — paper, the newspaper People's Daily says.

The newspaper said that there are not enough textbooks to meet demand because for several years paper mills have not met the targets of the state plan and production increases have been small.

Priority is being given to textbooks and student workbooks and the situation should improve by midyear, it said.

"Gang of Four" radicals for most of the problems, saying that they had published books that no one read and encouraged careless handling of paper by workers through spreading such slogans as "Be masters of the docks" and "Do not be slaves to tonnage figures."

Kreisky Named in Party

VIENNA, May 21 (AP) — Chancellor Bruno Kreisky was re-elected chairman of the ruling Socialist Party yesterday.

Woman Freed, 5 Arrested in Italy Abduction

MILAN, May 21 (AP) — The national police raided an apartment today and freed Erika Karl, 25, daughter of a textile industrialist kidnapped 48 days ago, and arrested five men in connection with the abduction, authorities said.

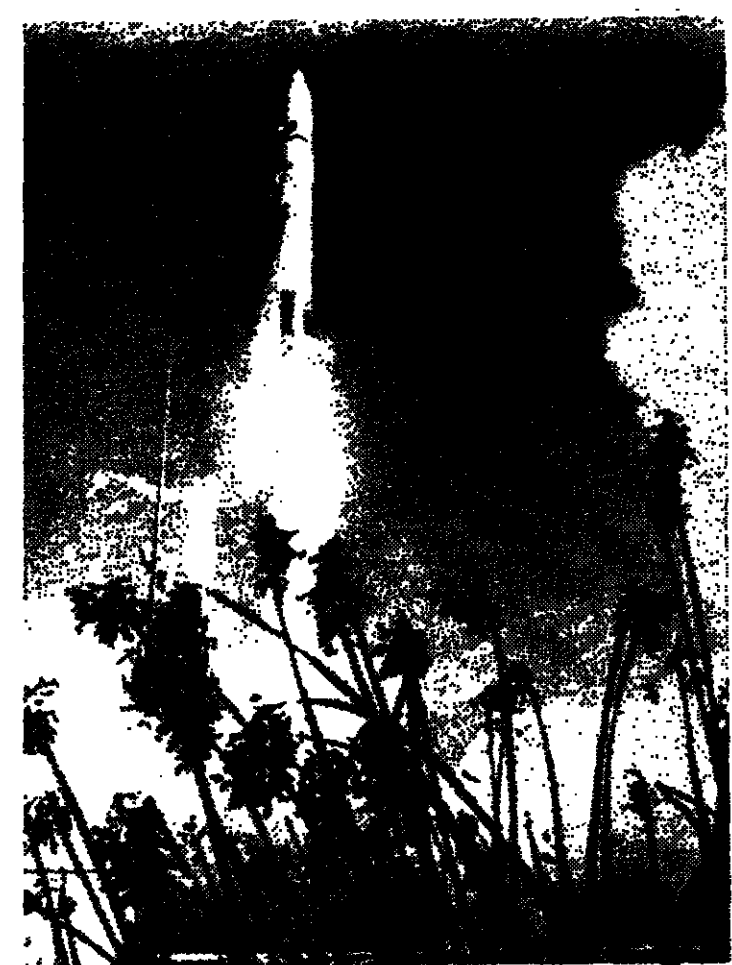
Officials said that the two men who were guarding the woman surrendered as Carabinieri raided the apartment at Via Ovidia, a Milan suburb. Miss Karl was unharmed. She was abducted on April 4 in Milan.

Officials said that, in the operation which led to the discovery of the hideout, police arrested three men, including Antonio Scopelliti. Officials described Mr. Scopelliti as one of the bosses of the Calabrian mafia, which has been involved in a number of kidnappings in northern Italy.

28. You used to call home every Sunday.

(Another good reason to call home.)

An international call is the next best thing to being there.



Pioneer Venus 1 sets off on its 300-million-mile voyage to Venus, where it is to conduct extensive atmospheric surveys.

U.S. Launches Spacecraft To Study Venus Weather

By John Noble Wilford

CAPE CANAVERAL, Fla., May 21 (NYT) — A U.S. spacecraft embarked here yesterday on a seven-month, 300-million-mile voyage to orbit Venus and conduct the longest and most extensive survey of the weather and topography of the earth's nearest planetary neighbor.

The unmanned spacecraft, Pioneer Venus 1, was boosted by an Atlas-Centaur rocket. The 1,300-pound Pioneer settled into a 107-mile-high orbit of the earth, then, over the south Atlantic, with a final blast from the Centaur stage of the rocket, the spacecraft set out on its cruet interplanetary course.

Charles Hall, the project manager, said, "All data look good. We're in a 'green' situation."

First of Two

Pioneer Venus 1 is the first of two U.S. missions to explore Venus this year. A second craft, Pioneer Venus 2, is to be launched Aug. 7. It carries four probes designed to penetrate and study the Venusian atmosphere.

The Soviet Union also is expected to launch two Venus missions in August. Its spacecraft will reportedly attempt to make soft landings on the hot, cloud-shrouded Venusian surface, duplicating or improving on the achievement of Venera 9 and Venera 10 in 1975.

The probes of Pioneer Venus 2 are not designed to survive impact. The Pioneer Venus project, estimated to cost \$250 million, is directed by the National Aeronautics and Space Administration's Ames Research Center at Mountain View, Calif. The spacecraft were built by the Hughes Aircraft Co.

Slower Approach

Pioneer Venus 1 is to travel outside the earth's orbit for the next three months and then swing inside it for the last four months. The indirect flight path was chosen to allow a slower approach to the planet, thus minimizing the accelerating influence of solar gravity and reducing the amount of rocket power needed to slow down to go into an orbit of Venus.

Pioneer Venus 1 is scheduled to rocket into Venus' orbit on Dec. 4. It will make a complete revolution of the planet every 24 hours, ranging out as far as 41,000 miles and dipping in to within 90 miles. At that point in each orbit, the spacecraft will enter the upper fringes of the atmosphere for direct scientific studies.

Most of the 12 experiments aboard Venus 1 are designed to observe and analyze the planet's atmosphere and weather patterns.

Scientists are seeking clues to one of the solar system's most fundamental puzzles: Why have Venus and earth, which are so alike in size, mass and proximity to the sun, evolved such extremely different environments?

Venus is enveloped by thick layers of fast-moving, pale-yellow clouds. Their high reflectivity of the sunlight contributes to the luminosity of Venus as seen from the earth as the evening or morning star. Earlier telescopic spacecraft observations indicate that the Venusian atmosphere is predominantly carbon dioxide and 100 times as dense as the earth's. The surface temperatures of Venus reach 900 degrees Fahrenheit.

Pioneer Venus 1 is expected to return data for at least 243 days after it goes into orbit. That is the time it takes for Venus to make one full rotation on its axis.

Politician's Role In 1945 Trial Dims Bonn Goal

BONN, May 21 (AP) — The disclosure that he helped to send a German sailor to death by a Third Reich firing squad apparently has shattered Hans Filbinger's chances of becoming president of West Germany.

The 64-year-old minister-president of Baden-Wuerttemberg was a leading Christian Democratic candidate for West Germany's highest office until the weekly Der Spiegel disclosed that, as a German navy prosecutor, Mr. Filbinger had demanded the death penalty for 22-year-old Walter Groeger at a 1945 court-martial in Nazi-occupied Norway.

Convicted of deserting his ship and plotting to flee to neutral Sweden, the sailor was executed only seven weeks before the war ended, with Mr. Filbinger as a witness.

Mr. Filbinger has confirmed his involvement but insisted he acted properly under the prevailing legal system. In the two weeks since the case was revealed, his political future has dimmed.

"Zero" was how one party colleague described Mr. Filbinger's chances of getting Bavaria's crucial support for the 1979 presidential nomination in the wake of the revelation, Der Spiegel reported last week.

Rightists Attacked In Turkey; 1 Killed

ISTANBUL, May 21 (AP) — Six armed men yesterday stormed the district offices of an extreme rightist political party on the Bosphorus waterfront and shot to death an accountant, the police said.

Shortly after the assailants left, an explosion shook the building of the ultra-nationalist Action Party, extensively damaging furniture and fittings and shattering windows.

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351-61-49, CLOSED SUNDAY.

Banner Idea: From Coast to Coast in U.S.

SAN FRANCISCO, May 21 (UPI) — They called it a coast-to-coast conceptual art work.

Three young people from Santa Cruz, Calif., dropped a banner reading "LIFE" from the Golden Gate Bridge on Friday. And in Manhattan, a banner reading "ART" was dropped from the Verrazano Bridge.

The banner spreaders said they were all part of the Art Corp. of America Inc.

To link the two acts, an airplane pilot flying from New York to San Francisco was informed by telegram that he would be carrying an invisible "conceptual aliphyn" to complete the slogan.

The San Francisco banner stayed up about five minutes before bridge workers removed it.

Other Factors in Cervical Disease

Pill, Precancerous Condition Linked

By Morton Mintz
WASHINGTON, May 21 (WP) — An association between oral contraceptives and an easily detectable and curable precancerous genital condition has been reported by a scientist who stressed a need for more studies to try to find out whether a cause-effect relationship exists.

The condition, called cervical cancer, occurs in the cervix, the neck of the uterus. With the aid of a simple test called the Pap smear, it can be readily detected and cured. Left untreated, it can spread.

In at least two dozen studies during the years, researchers have neither proved nor disproved a link between the pill and cervical cancer.

A major reason for their difficulty is that sexual behavior and the type of contraception affect the incidence of the disease. For example, a woman with multiple sex partners increases the risk of getting cervical cancer; a woman using a diaphragm, or whose partner uses a condom, decreases the risk.

3 to 5 Times as Common
Dr. Savitri Ramcharan reported Thursday that in one of the largest and most comprehensive studies ever made of pill side effects, cervical cancer in women who had used the sex-hormone drugs for at least four years was about three to five times as common as in women who never used them.

The study indicated that the risk of cervical cancer increased with the duration of use; 17 of the 35 cases occurred in women who had taken the pill for four or more years. The rates per 100,000 person-years of use were: zero use, 32; up to one year, 63; one to four years, 97, and four years or longer, 173.

Dr. Ramcharan emphasized, however, that sexual behavior — particularly a woman's age at first intercourse and the number of sexual partners — "could be responsible."

Britain Cancels Sports Accord In Orlov Protest

LONDON, May 21 (AP) — The British government has shelved a sports exchange program with the Soviet Union to indicate disapproval of the labor-camp sentence imposed on the dissident physicist Yuri Orlov.

The agreement had been under discussion for several months, a British Foreign Office spokesman said. It provided for teams and individuals to take part in each country's sporting events and for the exchange of coaches.

The British delegation was instructed to cancel the signing ceremony only hours before it was due to take place Friday in Moscow.

The Foreign Office spokesman said: "At a time when our events are calling into question the Soviet government's attitude to the Helsinki agreement we thought it best to consider further before finalizing other agreements which are relevant to the final act of the Helsinki agreement."

U.S. Group Calls Boycott

WASHINGTON, May 21 (AP) — A delegation of U.S. physicists is boycotting a joint U.S.-Soviet symposium near Moscow this week to protest the sentence imposed on Mr. Orlov, it was learned yesterday. The group was scheduled to depart for Moscow Friday but the trip was called off. The symposium, on condensed-matter theory, was scheduled to open tomorrow.

ble for the differences in the incidence of cervical cancer which we found.

"Consequently," she continued, "we initiated in the same population study to clarify this issue. Preliminary results . . . suggest that sexual behavior may account for some but not all of the difference."

Tests Recommended
Should her study cause users to worry about cervical cancer? "Definitely not," she replied. Rather, she said, "I think all women on the pill should have Pap smears."

The scientist delivered her report at a meeting sponsored by the Health Research Group, a unit of Ralph Nader's Public Citizen Inc.

Started in December, 1968, under a contract with the National Institute of Child Health and Human Development, the study followed 15,243 women for a total of nearly 117,000 woman-years.

All of the women lived in the San Francisco Bay area and were members of the Kaiser Foundation Health Plan. They were predominantly white, middle-class and married. They ranged in age from 15 to 57, but the majority were between 15 and 45.

The study allowed for the effects

of eight factors other than the pill that could affect the results: age, education, marital status, number of Pap smears, religion, number of pregnancies, smoking and history of genital infections.

Dr. Ramcharan said that she and her colleagues also found an association between a rare skin cancer called malignant melanoma and the pill, particularly in long-term users, but could not rule out the possibility that the link was a "chance finding."

She and the four other panelists adopted a resolution calling on manufacturers of birth control pills to share costs of further research.

Nerve-Gas Leak Near Denver

DENVER, May 21 (AP) — The Army has confirmed that a nerve-gas bomb stored at the Rocky Mountain Arsenal near here was found to be leaking two months ago.

The leak was the second in a stockpile of 900 of the bombs manufactured nine years ago and scheduled to be shipped to storage facilities in Utah.

The military has maintained that storing the bombs, instead of detoxifying them, is necessary to allow the United States to retaliate if attacked with nerve gas.

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THYSSEN Information

Where are we standing?

Under difficult market conditions Thyssen Group's external sales amounted to DM 19.7 billion during the 1977/78 fiscal year (October 1, 1976 through September 30, 1977). Unlike the plain carbon steel sector which suffered a loss, the other sectors of the group — such as specialty steel, capital goods and other manufactured products, trading and services — managed to improve their contribution to the result.

The economic situation during the first few months of the current 1977/78 fiscal year continued to be marked by different developments in the overall economic situation and in individual branches of industry. Adverse economic effects and the repercussions of an aggravated steel crisis produced a major impact on the Thyssen Group's plain carbon steel sector during the winter months. Although tonnage-wise a certain recovery was noted in orders booked for plain carbon steels and in spite of a favourable demand for goods from other sectors of the Group, Thyssen AG's production and sales declined during the past months of the 1977/78 fiscal year. The losses incurred by plain carbon steel persevered, though with a downward trend during the second quarter of the year. The trend of the Group's result will depend primarily on how the plain carbon steel business will develop during the forthcoming months.

In the plain carbon steel sector, the Thyssen Group will pursue its long-standing policy of concentrating its production on the most up-to-date facilities. The persisting worldwide steel crisis will make further adaptations necessary. The main objective of the unchanged high investments are rationalization and improvement of quality. Our specialty steel sector is orienting its product mix towards items of increased value, and international business is being reinforced. The capital goods and other manufactured products sector is centered around the development of new products and markets. The Thyssen trading sector is streamlining its sales organization and expanding promising programs.

Under changed worldwide economic conditions, efforts continue to enlarge the basis of our company's activities. On April 25, 1978, the shareholders of The Budd Company in the USA approved of the merger with Thyssen. This will lead to a substantial reinforcement of the capital goods and other manufactured products sector of the Group, including primarily the manufacture of products with considerable value added.

Full details for 1976/77 are given in Thyssen's annual report which, together with the brochure "Thyssen 1976/77", is available on request. The Company's complete annual financial statements were published in the April 28, 1978 "Bundesanzeiger".

THYSSEN 1976/77	
External sales	DM 19.7 billion
Share of exports	33%
Average number of employees	135 447
Balance sheet total	DM 13.2 billion
Equity capital	DM 3.5 billion
Equity capital/fixed assets ratio	61%
Equity capital/balance sheet total ratio	27%
Capital investments	DM 954 million
Depreciations	DM 901 million
Annual profit	DM 145 million
Dividend, total amount	DM 143 million



THYSSEN AKTIENGESELLSCHAFT
vorm. August Thyssen-Hütte

The Right Policy on Zaire

The Carter administration's response to the trouble in Zaire strikes us as on the money. To meet the emergency of 2,000 European civilians reportedly threatened by rebels who crossed from Angola, the administration made 18 transport planes available to Belgium and France, whose nationals they are; the handful of Americans in the battle zone had already reached safety. Then, to make a gesture of support for the again-embattled regime of President Mobutu Sese Seko, the United States promptly offered \$20 million worth of "nonlethal" aid (spare parts, communications gear, petroleum, etc.).

Meanwhile, Fidel Castro has called in the chief American diplomat in Havana to say that Cuba is not taking direct or indirect part in the Katangese incursion into southern Zaire. The United States followed by stating that the Cubans in Angola had armed and trained the Katangese. Whether that contradicts the Cuban assurances isn't clear. (Zairian and French reports, we note, assert that Cubans and Russians are present in Zaire proper.) But it is, as the diplomats say, interesting that the Cuban should take the initiative he did. It suggests at the least an intent to soften the confrontation that has been building between Washington and Havana since Cuba's African adventures began two or more operations ago. None of the nationalist political claims that the Cubans used to justify their policy in Angola and Ethiopia are relevant to Zaire, where the Katangese are secessionists and marauders, nothing more.

It will surely take more to be sure that Cuba gets the message that the United States won't stand still for repeated Havana-sponsored and -manned interventions in Africa.

There are, however, a couple of other avenues that the Carter administration has been exploring. One we don't care much for. That is a reported attempt to find a legal way to engage in clandestine operations in support of forces opposing the Cubans in Angola and Eritrea. We can't imagine that clandestine operations would stay clandestine—the story that they are being studied proves the point—or that they would be effective. What is done in Africa ought to be done openly. Given the public's raised consciousness of the Cuban-Soviet role, we do not think the administration would have great difficulty gaining public support for a well-conceived military-aid operation in critical African situations. We have in mind support of besieged friendly governments, as in Zaire.

There is another avenue, represented by Zbigniew Brzezinski's current trip to Peking. The Chinese have their own reasons to counter what they see as Soviet expansionism in Africa. On the eve of the White House aide's arrival, they condemned attacks by "mercenaries" directed by the Soviet Union and Cuba. Others, such as Saudi Arabia, also have their own reasons and resources. Until now, the Chinese and the Saudis felt that the United States was not taking the African problem seriously. It is apparently one of Mr. Brzezinski's purposes in Peking to demonstrate otherwise. If he can, then it becomes possible to imagine various forms of cooperation designed to slow the Soviet-Cuban momentum in Africa. Its leadership responsibilities do not require the United States to do everything itself. They do require, however, that the United States provide a context in which others will feel encouraged to do what they find essential to their own national interests.

THE WASHINGTON POST

The Kremlin's War at Home

Yuri Orlov, a 53-year-old Soviet physicist, has been sentenced to a maximum 12-year term in Moscow for attempting to monitor Soviet compliance with an international agreement, the Helsinki Accords, that the Soviet government signed three years ago. In the eyes of the Soviet state, he "slandered" the state by calling the Kremlin publicly to account for violations of the human-rights provisions of the accords. Mr. Orlov was held incommunicado for the 15 months before his trial. The proceeding itself elicited from the government a pack of the courtroom cries of "spy" and "traitor" and, upon sentencing, "he deserves more." It was, in sum, a revolting and all-too-characteristic performance by the Soviet government and one that decent people everywhere, first of all in the Soviet Union, will condemn. The Kremlin's war against the finest instincts of the Soviet people seems to have no end.

Mr. Orlov is the first of three Soviet dissidents whose scheduled show trials have become central to the atmosphere of current Soviet-American relations. The three cases coincide with, and have seemed to be something of a response to, the hard initial

human-rights thrust of administration policy toward Moscow. That thrust has since been moderated, partly out of a growing recognition in Washington that the Kremlin would not shrink from making the intended beneficiaries of American concern pay. Awareness has also spread that conspicuous Soviet repression feeds back into the American political context, diminishing support for such other administration interests as arms control. Meanwhile, the thug element in the Kremlin is having a field day.

For Yuri Orlov, there must be respect and compassion. But there must also be acceptance of a requirement to match the promotion of human rights abroad with the particular foreign context in which they are necessarily worked out. This demands a measure of self-discipline at odds with the outrage Americans feel for foreign abuses, particularly for Soviet abuses. The United States cannot be in the business of helping create martyrs. It can only do what it can to widen the scope for individual liberty. It ought to strive, in so doing, to keep open prospects for progress on other fronts.

THE WASHINGTON POST

Quebec in American Eyes

Premier Rene Levesque was in New York last week preaching his gospel of *souverainete association*—sovereignty for Quebec, but in association with Canada—and attempting to dispel the fears that an independent Quebec would be bad for American business. He may well be right: his provincial administration has been far from radical in its fiscal measures. But there is a more concrete reason why Americans can look calmly on the matter: Quebec separatism appears to have passed its peak. The English Canadians have absorbed much of the Quebec message; they may not agree with it, but they are resigned to "the French fact." In all likelihood, the province will reach an accommodation with Ottawa, avoiding the trauma of separation.

The issue that most concerns Quebec's French-speaking 80-percent majority is the cultural security of their French island in an English-speaking sea. Many also resent the fact that Montreal, their major city, and Canada's financial center, is dominated by English Canadian firms and that English speakers dominate their business life. The purpose of the famous (or infamous) Bill 101, which Mr. Levesque's Parti Quebecois pushed through soon after its election in November, 1976, was to change all that, and it has succeeded. The language for all business, even among English firms, will be French. Some firms, unwilling to make that adjustment, are leaving, a price Quebecois seem willing to pay. But most have evidently decided to stay, and are transforming themselves with more than token determination.

Meanwhile, throughout Canada, but especially in the resource-rich west, there are substantial pressures for decentralization, to re-

verse the flow of power, from the provinces toward the federal government in Ottawa. Quebec has been making the headlines, but other provinces share many of its irritations with federal policies.

These changes make it likely that Mr. Levesque will lose his promised Quebec referendum on independence when it is finally held. The polls still indicate that only one-fourth of the population favors complete separation. So, Mr. Levesque may retreat to the formula of "independence" with "association"—meaning the benefits of remaining in Canada without the costs. Pierre Trudeau, the federal prime minister, threatens to counter with his own referendum to let the rest of Canada define the limits of its sympathy. Canadians generally, for instance, are unlikely to grant an "independent" Quebec the national customs barriers that now exist largely to protect the province's inefficient industry.

All of this only strengthens the already serious challenge that Mr. Levesque faces in his province from the Liberals he defeated in 1976. They have chosen a new leader, Claude Ryan, a respected and popular former editor of the influential Montreal newspaper, *Le Devoir*. He favors greater autonomy—rather than independence—within the framework of "a more fraternal and tolerant Canada." Provincial elections are probably a few years away, but recent polls give the Liberals a slight edge.

Mr. Ryan's selection guarantees that the cases for and against independence will be thoroughly aired. Canada's neighbors should not ask for more.

THE NEW YORK TIMES

In the International Edition

Seventy-Five Years Ago

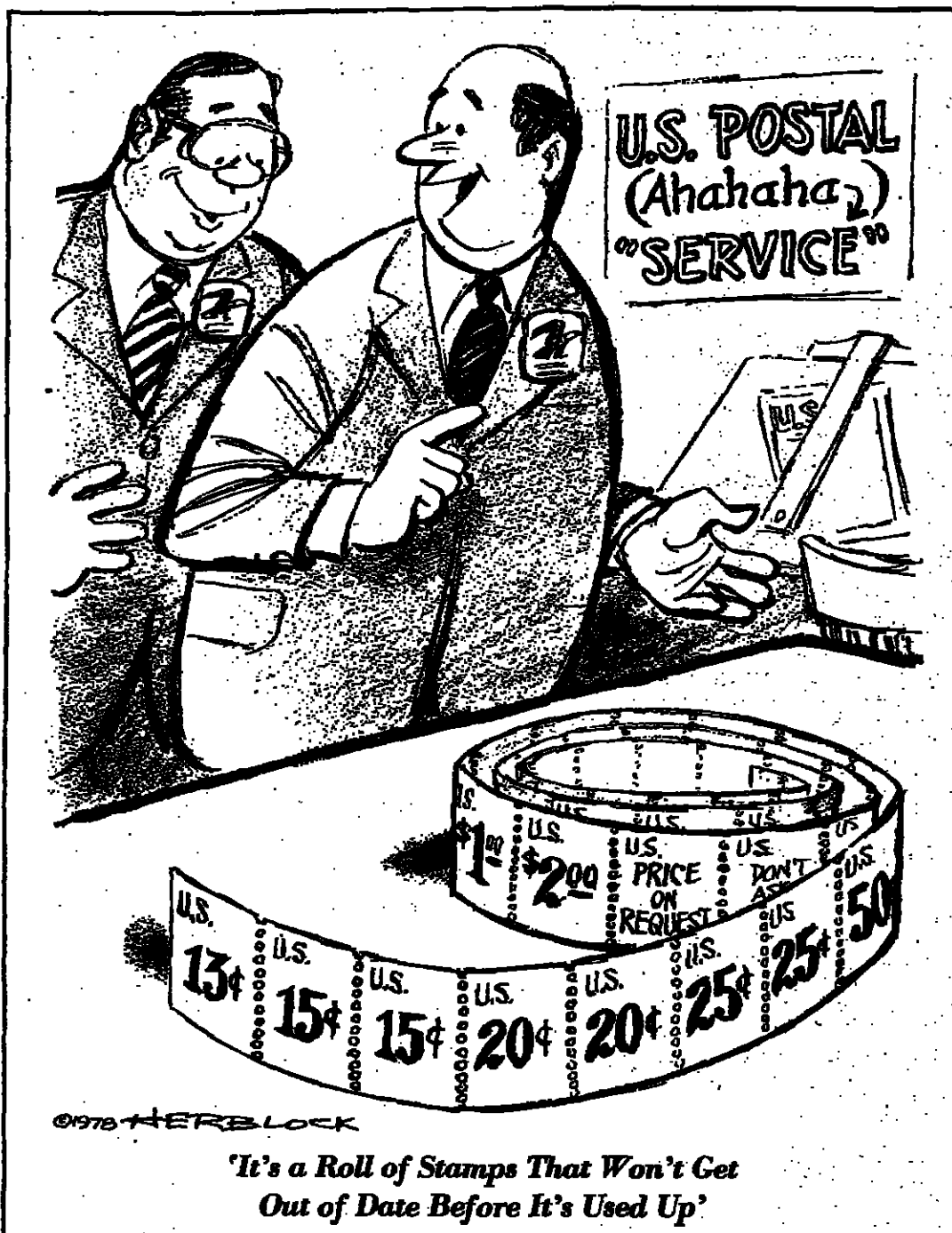
May 22, 1903

LONDON — Great interest is taken at present by many people to learn the result of a duel which, it is whispered, was to take place immediately in France between two gentlemen, who for some months past have been in London, and who left very suddenly for France a day or two ago, in order to fight the much-talked-of duel. Up to the present, no result has been heard of. The quarrel took place at one of the best known clubs and everyone seems to know about it.

Fifty Years Ago

May 22, 1928

BERLIN — For the first time since 1920 Germany will probably have a Socialist chancellor in consequence of the big gains made by the Socialist party in yesterday's elections. Having increased its poll throughout the country by 1,200,000 votes since the last parliamentary elections nearly four years ago and raised its Reichstag representation by 21 seats thereby, the Socialists seem certain to dominate the next coalition government of Germany.



Where Does Nonviolence Begin?

By Ashley Montagu

LOS ANGELES—"The great power of blackness," as Herman Melville called it, Calvinistic sense of innate depravity and original sin that bedeviled so many Victorians, has today assumed a form that renders it more appealing than ever.

The contemporary proponents of innate depravity, most notably ethologist Konrad Lorenz and author Robert Ardrey, have, in the language of our time, saddled human beings with an "instinct of aggression." This alleged "instinct" is at once designed to explain our violent behavior and to account for the destructive conflicts in which we engage.

The truth is that human beings have no instincts. Indeed, there are many societies that, far from engaging in aggressive behavior, are remarkably nonviolent and cooperative. Examples are the Tasaday of Mindanao, the Todas of southern India, the Tahitians, the Hadza of Tanzania, the Ialuk of the Pacific, the Yami of the western Pacific, the Lapps, the Arawak and the Fore of New Guinea.

These peoples reveal no evidence of the existence of an "instinct of aggression." What they do reveal is that human beings everywhere are capable of learning whatever their society causes them to learn.

When anthropologists study such nonaggressive societies, we observe that it is principally through their child-rearing practices that such societies produce cooperative, non-violent personalities.

Great affection is lavished on children. From infancy on, small children are scarcely ever out of bodily contact with someone who is either cuddling or carrying them. When children do not have toys to play with, they play with their younger brothers and sisters or other small children, and no one seems to enjoy the fun more than the little ones. Boys equally with girls enjoy the company of small children.

In these societies, when a child pulls a stick away from another child, it is not perceived as "aggressive" or "bad" behavior, but as a perfectly natural thing for a child to do. And so the older children just laugh and grab the younger one and good-naturedly roll with him on the ground, until he, too, joins in the spirit of the game and laughs with his playmates. No one admonishes the child or throws at him, and no one punishes him. No one tells him that he is "naughty" or "bad," and no one ever strikes a child, but always he is embraced and caressed, and is tactfully corrected only at a later age—if necessary.

Dr. E. Richard Sorenson of the Smithsonian Institution has ob-

served and photographically recorded such responses among the Fore of the highlands of New Guinea.

Typical Reaction

He writes, "The typical reaction of older children and adults who were the subject of hostile or aggressive reactions by the young was interested, affectionate amusement. If the attack became painful, the subject of it would usually move away or try to divert or distract the young child by affectionate playfulness or by engaging him in other interests. When such 'aggression' was directed toward young aggraves, it was discouraged—but, again, not by reproach or punishment, but rather by diversionary, playful activity or amusement."

Sorenson adds that, as a consequence, "anger, squabbling and fighting did not become natural to their lives," but "cooperative defense or attenuation" did.

It is much the same story for all other nonviolent societies. Among their many remarkable similarities, it is fascinating to find that when things threaten to heat up among adults, they avoid any expression of violence by simply walking away from the situation.

Aggression and nonaggression are learned ways of behavior. Every society provides models for its preferred forms of behavior—models that are continually reinforcing the behavior of the individual.

America sets before the child the most aggressive kinds of models, and then we wonder why we have such high rates of violent crime. Today we know that by far the larger proportion of a child-batterer were themselves battered or neglected children. We know that those who have been emotionally deprived during childhood are likely to turn into aggressive adults. And we also know that those who have been adequately loved as children are likely to develop into loving, unaggressive adults.

We know, too, that peoples who engage most fiercely in competitive "sports" are likely to be the most "kindly" to those who play games for fun are likely to be the most peaceful.

Extended Study

Prof. Richard S. Pipes of the University of New York at Buffalo recently carried out an extended study on this subject. His findings give no comfort to those who believe that combative sports constitute alternatives to war as discharge channels for accumulated tension.

In a world in which almost a million dollars a minute is being spent

on destructive weapons—a world in which men threaten each other with nuclear annihilation—it is perhaps not too late for some of us to begin inquiring as to where we can begin to bring about the changes that will lead to a non-violent world. We may find that it begins where charity begins—at home.

Ashley Montagu is an anthropologist who has taught at Harvard, the University of California-Santa Barbara, New York University and Princeton. He is the author of about 50 books and several hundred scientific articles. His two latest books are "The Nature of Human Aggression" and "Learning Non-Aggression," both published by Oxford University Press. This article was written for the Los Angeles Times.

A U.S. 'Defeatist Consensus'

By George F. Will

WASHINGTON—As is often the case with the Carter administration, the kindest interpretation of the timing of Zbigniew Brzezinski's trip to Peking is that the administration does not know what it is doing. As is often the case, that interpretation is too kind.

The administration allowed the national security adviser's trip to be scheduled to begin on the day the Republic of China (Taiwan) inaugurated a new president. No representative of the Carter administration attended the inauguration. The administration is collaborating with the Communists in signaling disdain for a nation with which the United States has—unconveniently, in the opinion of some people—relations of friendship, a defense treaty and trade second only to that with Japan among Pacific nations.

The administration is riddled with people who would, if they could, sever ties with the Republic of China and leave it at the mercy of Peking. They cannot do so because Congress and the country would not stand for it. And there is fresh evidence that a movement of opposition to the administration's foreign policy is taking shape and finding voice.

The Evidence

The evidence is in the transcripts of a conversation published in the American Enterprise Institute's magazine *Public Opinion* (May/June, 1978). The conversationalists, Henry Kissinger and Sen. Daniel Moynihan (D-N.Y.), agree that (in Kissinger's words) "at the second

and third levels of this administration, many people came in who are 'graduates' of [the] Vietnam period.... They have convictions that if America is not to be punished for its presumption, there at least must be some that the country is never presumptuous enough to undertake any more distant enterprises."

One problem, according to Kissinger, is the "inflexibility of conviction" of the "so-called realist" elites by making the most favorable assumption about the future, this temptation is one reason why the communist challenge has been interpreted in the most benign fashion in every decade in the existence of communism." Moynihan believes that another important problem today is fear, as shown in recent debates about Africa.

"We are continually told today," says Moynihan, "that we have to do this or that, accept this or that, unattractive option because if we do not, the Russians will win the Cubans." And "this is a rather argument." "What has become of our country," asks Kissinger, "when we explain foreign policy by the myth of the invincible Cubans?"

What Kissinger calls the "defeatist consensus" is the "traditional establishment" is apparent in the administration's approach to strategic arms limitation.

Threats

"Remarkably," says Moynihan, "we now have senior officials of this administration coming around to us in the Senate saying we must

knowing where you were going or who was going with you.

In '78, the graduates have more subtle problems. Unemployment is down to 6 percent, but inflation is pushing 10 percent, and there are no clear villains to blame. Nixon, and not only his book, is a reminder, and Carter is merely a puzzle. So the class of '78 has to grapple with ambiguity and even with the choices of prosperity, which in some ways are tougher to handle than the problems of war and adversity in '68.

Even so, assuming that a college education is supposed to provide a sense of perspective about the past, present and future, the outlook for this year's college graduates is obviously not as gloomy as it was 10 years ago.

What is particularly interesting about the past 10 years is that so many of the fears that dominated the news, if not the thought, of 1968 have not been realized since them. The Vietnam war did come to an end finally. The revolt of the campuses at that time did influence the decisions of the White House and the Congress to withdraw.

And the withdrawal from Vietnam did not, as predicted, produce that domino collapse into Communist control or make the United States look—in Nixon's phrase—like a "pitiful helpless giant." There have been unspeakable tragedies in Cambodia and Laos, but no major switch in the Pacific balance of power.

Talks Go On

Also, the Communist alliance between Moscow and Peking has not been restored after the deaths of Chou En-lai and Mao Tse-tung. India has come back, after its flirtation with Moscow, into more civil and cooperative relations with the West. Ten years ago, the present process of negotiations, compromise and even reconciliation in the Middle East would have been unthinkable, but despite all the conflicts over planes, territories, settlements and Palestinians, the compromise talks go on, if intermittently.

So it's no wonder that the Class of '78 is not throwing darts out of second-story windows, or conducting counter-graduation exercises. They don't have to worry about an imperial presidency, out of control, sending them off to war, but only about the danger of a presidency that has not enough control to conduct the foreign policy of the nation, in the Eastern Mediterranean, the Middle East and in Africa.

To graduate in 1978 from this beautiful campus, which has done so much to reconcile the races and universities of the South over the last 25 years, is an event of more than personal importance. At 22 years of age now, the graduates of '78 will have another 22 years until the end of the century, and all things considered, it's not surprising that they look much happier now than the Class of '68.

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BUSINESS

Herald Tribune

FINANCE

Published with The New York Times and The Washington Post

PARIS, MONDAY, MAY 22, 1978

Page 7

Rolling Practice

S. to Bar Loan Denials for Inner City Housing

By James L. Rowe Jr.

WASHINGTON, May 21 (WP) — The Federal Reserve Board last week issued a series of regulations prohibiting federal agencies from making loans to inner city housing projects. The move was part of a broader effort to curb inflation by restricting the flow of credit to non-essential sectors of the economy. The regulations specifically target the Federal Reserve Bank of New York, which has been a major lender to inner city housing projects. The board's decision was based on the finding that such loans were contributing to the overall inflationary pressure in the economy. The regulations will take effect immediately and will apply to all federal agencies. The board's decision was met with criticism from housing advocates, who argued that it would severely impact the ability of inner city residents to obtain financing for their homes. They claimed that the regulations were a direct attack on the inner city and would lead to a decline in housing quality and availability. The board, however, maintained its position, stating that it was necessary to take such measures to control inflation and stabilize the economy.

Swiss Unit Requests That Bank Secrecy Be Abolished

BERNE, Switzerland, May 21 (AP) — The Swiss Social Democratic Party, the largest political party in the country, has requested the abolition of bank secrecy. The party's proposal was made during a session of the Swiss parliament. The party argued that bank secrecy was an outdated and unjustified privilege that hindered economic growth and transparency. It claimed that the secrecy laws were a barrier to international trade and investment. The proposal was met with mixed reactions from other political parties. Some supported the move, while others expressed concerns about the potential impact on the Swiss financial system. The parliament is expected to vote on the proposal in the near future.

U.S. Commodities

NEW YORK, May 21 (AP) — Precious and industrial metals futures marched higher last week, deriving strength from the odd combination of renewed inflationary fears and a brighter business outlook.

The upswing in allied metals futures "to a spontaneous breaking point," said one analyst. Prices for platinum contracts, which leaped nearly \$25 in the July delivery, averaged gains in excess of \$20 an ounce.

Meanwhile, the invasion by rebels of copper-rich Zaire triggered heavy speculative demand that lifted copper futures on New York's Comex about 2 1/2 cents a pound.

Gold and silver contracts accumulated their best weekly gains — averaging \$4.50 an ounce in gold and 11 cents in silver — since a flood of inflation-hedge buying in March boosted those prices to record and near-record highs.

Copper futures also gained strength from transportation problems in Zambia and a further decline in stocks at the major European metals exchange.

Bad weather and more farmer participation in government programs to set-aside or divert cropland were factors in the upswing in grain prices.

Soybean futures slumped about a nickel in near-term contracts, even though a major grain exporter accumulated almost 3 million bushels by snapping up delivery of the cash beans against May contracts.

Contracts representing 1978 crop soybeans, however, rose as much as 10 1/2 cents, partially because of estimates that stocks would be lower and exports higher at the end of the marketing year.

The May contracts in grain futures expired Friday. The final wheat price was \$3.25 a bushel compared with \$2.29 a bushel, set in April and a low of \$2.35 posted last summer.

May-delivery soybeans finished at \$7.29 a bushel, off about 80 cents from the top price in mid-1977 but more than \$2 higher than the low set last August. Corn contracts expired at \$2.62 a bushel, about 20 cents under April's high but more than 60 cents above the season low.

Coffee futures reacted to Brazilian frost scares and improved roaster demand, jumping as much as 16 cents in distant contracts.

Interest-rate futures, after rising earlier in the week, took a beating from hints that the Federal Reserve intended to tighten credit further. Ginnie Mae mortgage certificate and long-term Treasury bond futures tumbled to life-of-contract lows.

But continued tight supplies in cash markets kept the pressure off short-term Treasury bills, which ended a bit higher.

Spring Rebound Improves Hopes for Year

By Thomas E. Mullany

NEW YORK, May 21 (NYT) —

Since the advent of spring, the economic skies have been clearing in the United States and abroad and are now showing signs of further brightness for the rest of the year.

If the political climate were better, however, there would be an even stronger basis for optimism.

At the midpoint of the second quarter, there is evidence of a fast acceleration of business activity in this country, as expected.

And there have been reports from various sources that a pickup is starting in several other Western nations.

Unfortunately, it is also apparent that inflationary pressures are building steam in the United States while moderating in most other nations.

Unless something unforeseen develops in the next six weeks, the quarter should be a booming one economically for the United States, although more subdued elsewhere.

Private and government forecasts have been suggesting that the U.S. economy will register a growth rate of between 6.5 and 10 percent in real, or noninflationary, terms for the three-month period ending June 30. That would follow the weather-dampened, coal-affected first quarter, when there was no real expansion.

Recent economic reports support the belief that the U.S. economy is in the midst of a vigorous rebound from the ailments of winter. Except for the further rise of inflationary pressures and interest rates, the latest statistics are highly encouraging.

Among the more notable signs of economic strength were the reports that industrial production jumped 1.1 percent in April, personal income gained 1.4 percent in the same month, housing starts contin-

ued to surge with a 6 percent rise last month, and new-car sales increased by 9.6 percent during the first 10 days of this month.

Meanwhile, the stock market maintained its spectacular gains of the last month in highly elevated trading volume, and the dollar held on to most of its significant gains of the last month.

Against that background, leading businessmen expressed more confidence in the outlook for the rest of the year and for 1979. So did top government officials and most private economists, although some

economists have qualms about the latter part of this year or the first half of next year largely due to their fears that the inflationary thrust may be underestimated.

The economic consultants of the Business Council, an organization of 65 chief executives and as many former leaders of the nation's largest corporations, recently made a fairly optimistic forecast. They said that real economic growth would be about 4.3 percent this year and 3.6 percent next year; that consumer prices would increase by 6.4 percent this year and by 6.6 percent next year; and that unemployment would hold at a 6.2 percent rate in both years.

Their view was closely paralleled by the consensus forecast of 38 leading economists in the private sector, as compiled early this month by Eggert Economic Enterprises.

Among the minority of private forecasters with a more pessimistic outlook, Sam Nakagawa of Kidder, Peabody & Co. predicts an outright recession for third consecutive quarters, beginning in the final three months of this year. He expects negative real growth at an annual rate of between 1 and 1.2 percent in that nine-month period. And he expects an annual rate of inflation of 9 to 10 percent between last December and the end of this year.

Albert Cox Jr., president of Merrill Lynch Economics, is predicting cyclical difficulty for the economy late this year or early next year. But he said that it is uncertain whether it will result in a recession.

The Group IV Economics analysts believe the economy "will begin to slow in the third quarter of 1978, re-accelerate through the middle of 1979, and then slow to at least a mild recession starting at the end of 1979."

New York Stock Market

NEW YORK, May 21 (NYT) — When the gong rang last Wednesday afternoon to signal the close of trading on the New York Stock Exchange, a few cheers certainly were in order. Stock prices stood at their highest level in eight months and trading volume in recent weeks had been the busiest in Big Board history. It was a continuation of the spectacular spring rally, led by institutions and individuals, both at home and abroad.

A few skeptics on Wall Street dismissed the recovery as "a very early and very dynamic summer rally." But, at least for the present, it seemed to many traders a bid to fight the stock tape.

On Wednesday the Dow finished at 858.37, its highest since the close of 860.79 last Sept. 15. Within five weeks the blue-chip average had reached 92 points, a gain that was big enough to bring a few bears out of hibernation.

During the remaining two market sessions of last week, prices eased somewhat. However, at the end of the week the Dow stood at 846.85, showing a net gain of 6.15 points. Turnover on the Big Board totaled 204 million shares, up from 182 million the week before.

Last week saw strength in numerous stock groups, from soft drinks and brokerage houses to telecommunications and air freight forwarding. A number of gaming stocks, including Caesars World and Playboy Enterprises, also enjoyed a whirl as legalized gambling in Atlantic City drew nearer.

What are the technical analysts saying about the future of the Dow? At the brokerage firm of Evans & Company, this was the appraisal: "A near-term objective of 860 to 870 is indicated before another period of consolidation may be warranted. Subsequently, a move to better than 900 in the Dow industrial average is indicated."

The Dow by no means held the corner on Wall Street's recently found prosperity. Over-the-counter stocks, an area dominated by individuals rather than institutions, performed handsomely. As for the American Stock Exchange, its market value index rose to successive records for 13 trading sessions until it dipped slightly on Thursday.

The fixed-income market, by and large, encountered a much bumpier week. The week's biggest decline in bond prices came Thursday, when the Federal Reserve nudged interest rates a shade higher in the money market.

Over-Counter Market

Sales in 100s	High	Low	Last	Chg	Net
Brooklyne	171	45	46	46	1/2
Brooklyn	224	74	75	75	1/2
Brooklyn	470	27	28	28	1/2
Brooklyn	28	28	28	28	1/2
Brooklyn	1678	204	205	205	1/2
Brooklyn	82	14	14	14	1/2
Brooklyn	1230	64	65	65	1/2
Brooklyn	267	12	12	12	1/2
Brooklyn	329	3	3	3	1/2
Brooklyn	574	13	13	13	1/2
Brooklyn	189	5	5	5	1/2
Brooklyn	253	21	21	21	1/2
Brooklyn	230	24	24	24	1/2
Brooklyn	34	36	36	36	1/2
Brooklyn	54	17	17	17	1/2

Bank Handlowy w Warszawie S.A.

US\$ 30,000,000

Floating Rate Notes due 1988

Bank Handlowy w Warszawie S.A.

The Arab and Morgan Grenfell Finance Company Limited

B.A.L.L. (Middle East) Inc.

Bank Handlowy w Warszawie S.A.

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Arab Finance Corporation S.A.L.

Audited Financial Statements 1977

EXTRACTS FROM CHAIRMAN'S STATEMENTS

1. I am pleased to report that AFC ended successfully its fourth financial year, 1977, with very satisfactory results.

2. In Lebanon, major political problems remained unresolved. Arab of countries are undergoing a reformation process of their infrastructure requirements to meet their economic development. The reformation process is a long and arduous task. It requires the cooperation of all concerned parties. The AFC is committed to support the reformation process in Lebanon and to provide the necessary financial and technical assistance.

3. In Jordan, AFC had to overcome the aftermath of the two-year war in Lebanon, to build its relations and conduct efficient operations in a difficult environment, and to ensure fully its operations in the Jordanian market. The AFC is committed to support the economic development in Jordan and to provide the necessary financial and technical assistance.

4. To ensure the continuity of operations and to provide the necessary financial and technical assistance, the AFC has decided to increase its capital. The increase in capital will be used for the expansion of the AFC's operations in Lebanon, Jordan, and other countries in the Middle East.

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BALANCE SHEET

(In Lebanese Pounds)

ASSETS

1977

1978

1. Cash in hand and at banks

2. Due from banks and other financial institutions

3. Time deposits

4. Securities

5. Trading account

6. Investment account

7. Other receivables

8. Loans and advances

9. Current accounts with related companies

10. Holding company

11. Other

12. Accounts receivable

13. Participation investments

14. Fixed assets

15. Other assets

16. Total assets

17. Total liabilities and equity

18. Total

19. Total

20. Total

21. Total

22. Total

23. Total

24. Total

25. Total

26. Total

27. Total

28. Total

29. Total

30. Total

31. Total

32. Total

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34. Total

35. Total

36. Total

37. Total

38. Total

39. Total

40. Total

41. Total

42. Total

12 Month	
High	Low
39.5	28.7
39.0	15.4
15.0	3.0
44.0	32.3
33.0	17.0
17.0	7.0
60.0	28.0
50.0	29.0
15.0	11.0
4.0	2.0
13.0	21.0
7.0	3.0
22.0	10.0
42.0	37.0
15.0	12.0
11.0	13.0
3.0	1.0
20.0	11.0
20.0	11.0
15.0	11.0
18.0	12.0
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95.0	22.0
10.0	1.0
21.0	1.0
9.0	1.0
15.0	1.0
10.0	1.0
10.0	1.0
10.0	1.0
10.0	1.0

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New Issue



All of these bonds having been sold, this announcement appears as a matter of record only.

May 1978

The Council of Europe Resettlement Fund

for National Refugees and Over-Population in Europe

Fonds de Réétablissement du Conseil de l'Europe

pour les Réfugiés Nationaux et les Excédents de Population en Europe

Strasbourg/Paris

DM 100 000 000.-

6 1/4 % Bearer Bonds of the Loan of 1978 (84-88)

Berliner Handels- und Frankfurter Bank

<p>Allgemeine Elsassische Bankgesellschaft</p> <p>Bayerische Landesbank Girozentrale</p> <p>Bankhaus Gebrüder Bethmann</p> <p>Delbrück & Co</p> <p>Deutsche Girozentrale – Deutsche Kommunalbank –</p> <p>Hessische Landesbank – Girozentrale –</p> <p>B. Metzler seel. Sohn & Co.</p> <p>Trinkaus & Burkhardt</p>	<p>Bank für Gemeinwirtschaft Aktiengesellschaft</p> <p>Bayerische Vereinsbank</p> <p>Commerzbank Aktiengesellschaft</p> <p>Deutsche Bank Aktiengesellschaft</p> <p>Dresdner Bank Aktiengesellschaft</p> <p>Bankhaus Hermann Lampe Kommanditgesellschaft</p> <p>Norddeutsche Landesbank Girozentrale</p> <p>Vereins- und Westbank</p>	<p>Bayerische Hypotheken- und Wechsel-Bank</p> <p>Berliner Bank Aktiengesellschaft</p> <p>Richard Daus & Co.</p> <p>DG BANK Deutsche Genossenschaftsbank</p> <p>Georg Hauck & Sohn</p> <p>Merck, Finck & Co.</p> <p>Sal. Oppenheim jr. & Cie.</p> <p>M. M. Warburg – Brinckmann, Wirtz & Co.</p>
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<p>Westdeutsche Landesbank Girozentrale</p>	<p>Westfalenbank Aktiengesellschaft</p>	
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<p>Algemene Bank Nederland N.V.</p> <p>Banque de l'Indochine et de Soez</p> <p>Creditanstalt – Bankverein</p> <p>Genossenschaftliche Zentralbank AG – Wien</p> <p>Kreditbank S.A. Luxembourggoise</p>	<p>Arab Financial Consultants Company S.A. K.</p> <p>Banque Internationale à Luxembourg S.A.</p> <p>Crédit Commercial de France</p> <p>Gothard Bank International Ltd.</p> <p>Pierson, Heldring & Pierson N.V.</p> <p>Swiss Bank Corporation (Overseas) Limited</p>	<p>Banque Bruxelles Lambert S.A.</p> <p>Banque Nationale de Paris</p> <p>Daiwa Europe N.V.</p> <p>The Industrial Bank of Japan (Luxembourg) S.A.</p> <p>Société Générale</p>
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هكذا من الأصل

A. Halts Giants' Streak

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

